

Table with subscription rates for various countries like Algeria, Argentina, Australia, etc.

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami.

No. 32,324

5/87

**

PARIS, TUESDAY, JANUARY 27, 1987

ESTABLISHED

LATE NEWS Reagan Answers Queries on Iran

WASHINGTON (UPI) — President Reagan, who has not answered public questions on the Iran arms affair since Nov. 19, met in private Monday with a special panel to discuss his involvement in the operation.

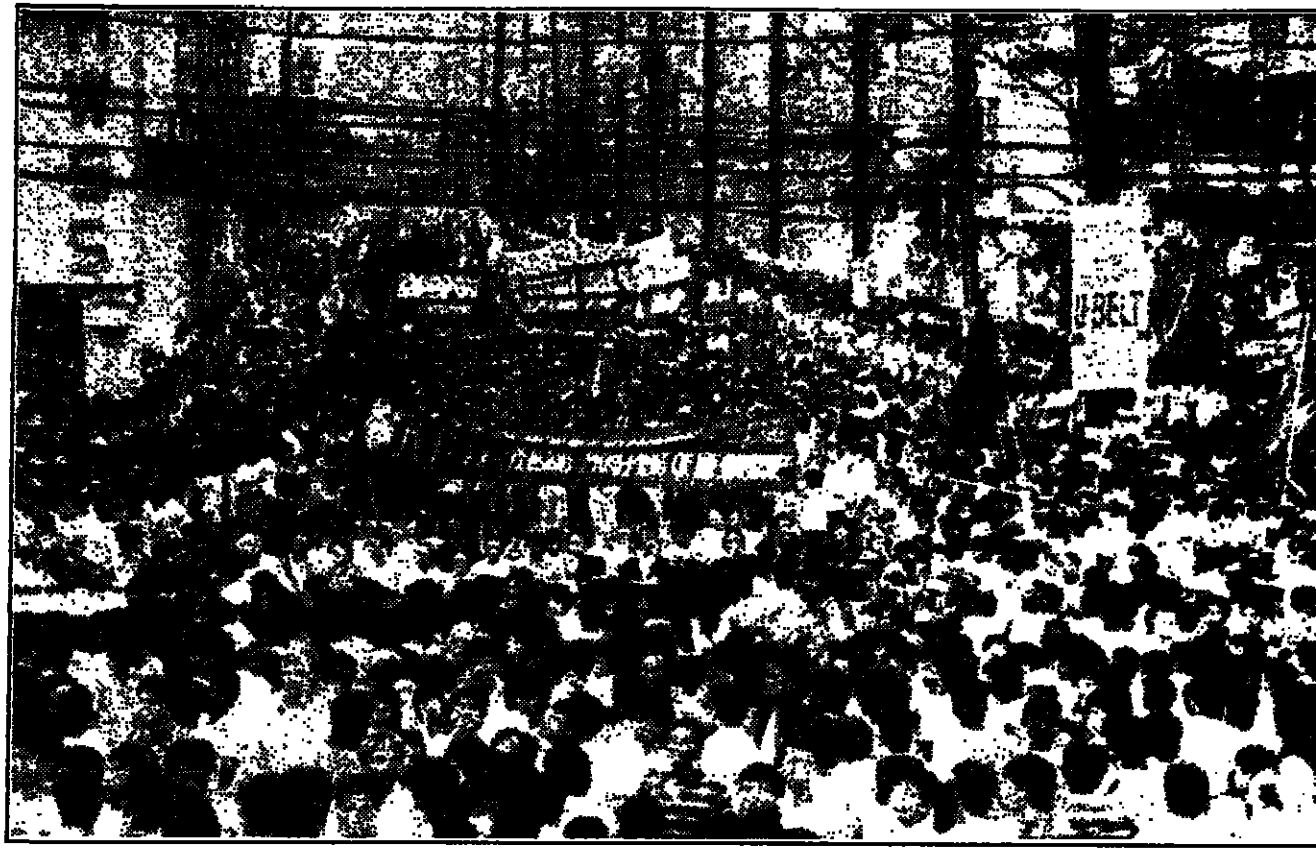


President Reagan working on the State of the Union address he will make to Congress Tuesday evening. Page 3.

Aquino Allows Protest

20,000 March To Palace for Land Reform

By Michael Richardson International Herald Tribune MANILA — The Philippine government called off the armed forces and allowed thousands of leftist protesters to march to the main gate of the presidential palace Monday.



Protesters demanding action on land reform by President Corason C. Aquino marching in Manila on Monday.

Officials said the decision to withdraw the troops and let the demonstrators through was made personally by President Corason C. Aquino.

At least 18 protesters were killed and dozens were wounded Thursday when marines opened fire on demonstrators who tried to break through police lines and cross a bridge to the palace.

Manila Alleges Military Tapped Phones

By Keith B. Richburg Washington Post Service MANILA — President Corason C. Aquino's top aide accused the military authorities Monday of tapping the telephones of high-ranking government officials.

Speaking at a breakfast forum, Jolker Arroyo, Mrs. Aquino's executive secretary, said the Defense Ministry tapped his home phone and those of other officials during Mrs. Aquino's visit to the United States in September.

Mr. Arroyo said Monday that the taped conversation did take place, although he added that some portions of the tape appeared to have been spliced. He would not specify where he thought the tapes had been spliced and what material he believed was excluded.

He explained the conversation by saying that the three had assumed their conversation was being listened to by U.S. officials during Mrs. Aquino's visit.

Mr. Arroyo also said that, in an effort to "placate" the U.S. government, he staged a conversation with Mrs. Aquino, who was in New York. He said he assumed the United States was monitoring the conversation.

His comments were part of government efforts to limit political damage from the disclosure last week of secret tape recordings of a conversation he had in September with Mrs. Aquino and Teodoro Locsin, a presidential spokeswoman, who also was in New York.

2 More Abductees In Beirut; Total At 12 in 2 Weeks

BEIRUT — Gunmen kidnaped two men, apparently foreigners, in West Beirut on Monday, dragging them from a shop by their hair with guns at their stomachs. Their identities were not immediately known.

The abductions came after a deadline set by the Organization of the Oppressed on Earth to kill one of the four hostages who were seized Saturday passed without any word on their fate.

The Kuwait news agency Kuna, meanwhile, reported from Beirut that Terry Waite, the special envoy of the Church of England who has been out of sight for six days, had been placed under "house arrest" by hostage-takers.

Independent confirmation of the Kuna dispatch was not available. Mr. Waite arrived in Beirut on Jan. 12 in his latest mission to secure the release of Western hostages.

A caller claiming to speak for the Muslim fundamentalist group had vowed to kill one of the three Americans and an Indian who holds resident alien status in the United States unless West Germany met the kidnappers' demand and freed a suspected Arab hijacker wanted by the United States.

In Bonn, officials were still considering a U.S. request for the extradition of Mohammed Ali Hamadei, who is wanted on murder and air piracy charges. A Foreign Ministry spokesman also said that West Germany had "temporarily" closed its mission in West Beirut "for security reasons."

GENERAL NEWS

EC foreign ministers appealed to the U.S. for flexibility to avert a trade war. Page 9. Exxon reported a drop in quarterly profit, but a gain for the year. Page 9.

Tougher Times, Weaker Base for Kohl

By James M. Marikham New York Times Service BONN — Chancellor Helmut Kohl won an unassisting victory in parliamentary elections that many politicians say could make the next four years at the helm of a center-right coalition much more difficult than the past four.

They dropped a staggering 4.5 percentage points from their 1983 share, to 44.3 percent of the vote.

As Christian Democratic politicians cast about Monday for explanations, they found a few persuasive culprits: angry farmers who did not vote; sudden freezing weather; a widespread mood, encouraged by opinion polls, that a coalition victory was assured. Voter turnout, at 84.4 percent, was the second-lowest of West Germany's 11 national elections.

Outside of Bavaria, there was also bitter blame for Franz Josef Strauss, the outspoken premier of the southern state, whose campaign rhetoric sometimes sounded as if he intended to storm Bonn after the election and give West Germany's foreign and domestic policies a forceful shove to the right.

The happy beneficiary of Mr. Strauss's fulminations was Foreign Minister Hans-Dietrich Genscher's small Free Democratic Party. The party, the junior partner in the Bonn coalition, won a handsome 9.1 percent by attracting about 300,000 Christian Democratic supporters who wanted the coalition to tilt toward the center.



Giants Romp Over the Broncos in Super Bowl John Elway, the quarterback for the Denver Broncos, looks in vain for a route past Lawrence Taylor, a linebacker for the New York Giants. The Giants took control in the second half and scored 30 points on their way to winning the championship of American professional football, 39-20. Page 15.

U.K. Board Urges New Nuclear Unit

By Steve Lohr New York Times Service LONDON — A marathon official inquiry, begun four years ago and based on 55 tons of evidence, resulted Monday in a decision to go ahead with the construction of a new generation of nuclear power stations in Britain.

The building of American-style pressurized-water reactors to increase Britain's nuclear power capacity has long been endorsed by Prime Minister Margaret Thatcher. Her government's approval for the planned £1.3-billion nuclear station at Sizewell, on the East Anglian coast, is expected to be little more than a formality and likely to come within a few months.

But the 3,000-page report by Sir Frank Layfield, issued after Britain's longest public inquiry, was sharply attacked by Britain's anti-nuclear lobby: some trade unions and opposition parties.

The report comes at a time when many Britons are wary of nuclear power as a result of the April 1986 accident at the Chernobyl power plant in the Soviet Union and follows last month's critical report of Britain's nuclear reprocessing plant at Sellafield, which has had repeated radioactive leaks.

China Orders AFP Reporter to Leave

Alleges American Accepted 'Intelligence' From Protester

By Edward A. Gargan New York Times Service BEIJING — An American reporter working here for a French news agency was barred from China on Monday for accepting what the government called "intelligence" from a Chinese student.

The Foreign Ministry announced that it had told Agence France-Presse to transfer the journalist, Lawrence MacDonald, "as soon as possible."

Mr. MacDonald, 32, who is visiting Hong Kong, issued a statement through his agency's Beijing bureau in which he denied any illegal activity and called the charges against him "totally absurd."

The journalist has reported on China for Agence France-Presse for two years. He speaks fluent Chinese and was known to have obtained conclusive evidence of Mr. MacDonald's recent activities, which did not accord with his status as a journalist and were harmful to friendship between the Chinese and French people.

The official Xinhua News Agency said Sunday that the State Security Bureau, which deals with espionage and the surveillance of foreigners, had arrested a student at Tianjin University for his "secret collusion" with Mr. MacDonald.

The government has not disclosed the whereabouts of the student, Lin Jie. In at least two cases in the last eight years, Chinese citizens have been imprisoned for disclosing information to foreign reporters.

"I deny the Chinese charges against me, which are totally absurd," Mr. MacDonald said in his statement issued here.

"During my two years in China, I have never sought or received any information other than that directly related to my job as a correspondent for AFP. My actions have at all times been in accord with accepted practices of journalism."

Kennedy's New Tactic: Low-Budget Social Activism

By Robert A. Rosenblatt and John Balzar Los Angeles Times Service WASHINGTON — The crowd jammed the hearing room and the television cameras focused on the senator who was talking about "the challenge of building this country, a job that is never done."

But while the social causes and government solutions to people's problems.

"I recognize the restrictions of the present budget," he says often, "and I welcome the challenge to do more within those constraints."

The theme reflects a liberal, but in power, adapting to the new austerity.

Mr. Kennedy's response to the conflict between needs and federal deficits is a package of bills aimed at nudging the 100th Congress into a new cycle of legislative activism without a high government price tag.

In his approach now to dealing with society's ills, Mr. Kennedy may be causing a trend, according to a Democratic political consultant, David Doak.

"The country is more receptive, we've been seeing that in poll data for some time," Mr. Doak said. "What's happening is that Democrats are now willing to stick their heads out of the foxholes for the first time in years."



Edward M. Kennedy

WASHINGTON — The crowd jammed the hearing room and the television cameras focused on the senator who was talking about "the challenge of building this country, a job that is never done."

But while the social causes and government solutions to people's problems.

The theme reflects a liberal, but in power, adapting to the new austerity.

In his approach now to dealing with society's ills, Mr. Kennedy may be causing a trend, according to a Democratic political consultant, David Doak.

"The country is more receptive, we've been seeing that in poll data for some time," Mr. Doak said. "What's happening is that Democrats are now willing to stick their heads out of the foxholes for the first time in years."

The Illusory Reign of Henri VI

French Reflect on Royalty as They Mark a Millennium

By Richard Bernstein
New York Times Service

PARIS — If he had his way, the count of Paris, whose full name is Henri Robert Ferdinand Marie Louis-Philippe d'Orléans, head of the Orléanist branch of the French royal family and a direct descendant of French kings, would reign in France as a modern constitutional monarch called Henri VI.

The count of Paris has a forest near the Belgian border, a few inherited castles and considerable social prestige. But he has no legal power in France, which abolished the nobility and its privileges in 1886. Until 1950 all direct descendants of the families that once sat on the throne were prohibited from setting foot on French territory.

Even if he represents the last vestiges of an entirely fallen monarchy, however, the count has been in the public mind in France lately. A courtly, trim, elaborately polite man of 78, he has been giving interviews and recently published a book called "L'Avenir Dure Longtemps" (The Future Lasts a Long Time). His moderate pro-monarchist views are being aired in a host of magazine and newspaper articles.

The immediate reason for this attention seems to be that the French are celebrating the 1,000th anniversary of the coronation of Hugues Capet, an ancestor of the count. The anniversary is being treated as a kind of 1,000th birthday of France.

It has given rise to considerable commentary among historians and others over the identity of the French, while arousing curiosity about the gentle and somewhat anachronistic man who is one of two pretenders to Hugues's ancient throne. (The other, Alphonse, Duke of Anjou and Cádiz and head of the house of Bourbon, is Spanish and hence not considered as likely a candidate.)

If the French have annihilated their monarchy, they nonetheless



Henri, count of Paris.

have a residual respect for their surviving aristocrats and perhaps even a faint collective nostalgia for the idea of a king.

"The French heart is monarchist," Hervé de Charette, a cabinet minister, said some weeks ago, not entirely seriously. "They like to prostrate themselves in front of the monarch, whom they now call president, and every seven years or so they guillotine him."

In other words, there is a deep respect in France for the presidency, some of whose style seems to have been inherited from the pomp and grandeur of the ancient court, but this respect is tempered by a strong anti-authoritarian tendency to vote against incumbents.

For some in Paris, the attention being paid to the count of Paris these days, and, more importantly, the celebration for France, marks an important stage for the French in their conception of themselves, a more complete idea of their past.

Pierre Nora, a historian who edited a small but prestigious review called *Le Débat*, argues that the supposed 1,000th birthday of

France has occasioned a new willingness among the French to look into their past more deeply and more dispassionately than ever before.

Until recent years, Mr. Nora said, the French defined themselves almost exclusively in terms of the revolution of 1789, tending to diminish the importance of the long period of monarchy before it.

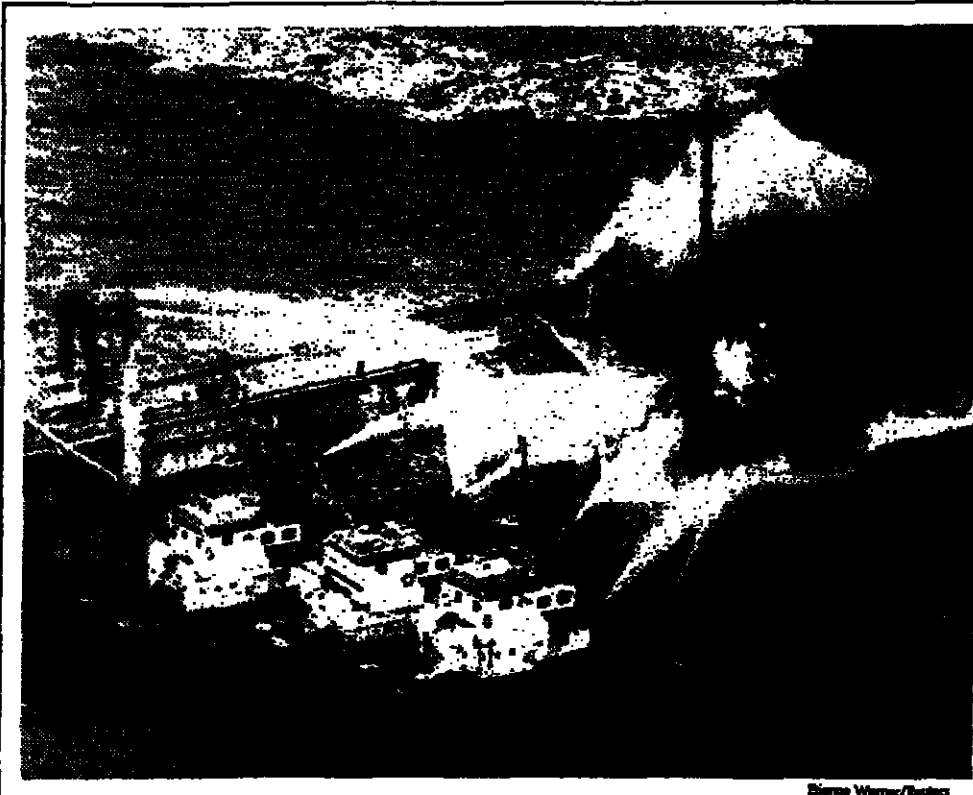
The more recent inclination to look beyond the revolution "doesn't represent at all a nostalgia for the monarchy," Mr. Nora said, "but a realization that France is far more than just the country of the revolution."

Advancing this idea, Mr. Nora wrote in a recent article in the weekly magazine *Le Point* that the interest in Hugues Capet reflected "an attachment to a French singularity, to the discovery of the depths reached by the national phenomenon, and to a pluralist curiosity about the richness and diversity of its expressions."

While there is little sign of any desire to put a king back on the throne, the count of Paris continues a campaign to put some spit and polish on the discredited monarchist idea. He portrays it as a kind of rallying point for the French that would stand above all political quarrels, somewhat as the British and Dutch monarchies do.

The count is unusual among French nobility in that he does try to remain on the political scene. Far more than the British nobility, the descendants of France's noble families tend to lead quiet and politically inconspicuous lives, though many hold prominent jobs in government and business. Their titles can appear on invitations or guest lists but have no legal standing.

"I carry in myself the heritage of France, which is made up in part of the 1,000 years of history of my family," the count said. "I have the responsibility to be a witness to this heritage."



Bruce W. Mason/Reuters

Tugs Battle Tanker Fire in the English Channel

A Greek tanker carrying gasoline burned Monday off the Netherlands as tugs poured foam and water onto it. The tanker, Olympic Dream, collided in fog Sunday with a Liberian-registered bulk carrier, the Angust Thyssen, which was slightly damaged. The tugs later towed the tanker north across the English Channel, and authorities said the fire was under control. No one was hurt.

HOSTAGES: U.S. Expresses 'Outrage' at Kidnappings

(Continued from Page 1)

dition, which American officials had hoped would come quickly.

■ **Military Response**

Joanne Omang of The Washington Post reported earlier from Washington: The chairman of the Senate Foreign Relations Committee, Claiborne Pell, said Sunday that a "military response" would be justified against kidnappers who kill U.S. hostages in Lebanon if there were "clear evidence" of responsibility.

Mr. Pell, Democrat of Rhode Island, said that the U.S. approach to kidnappers appears to be "a double policy" of insinuating negotiations while opening secret talks. "This has to be sorted out," he said.

Speaking on a television program about the kidnappings of four professors Saturday at Beirut University College, the senator urged that the use of force be considered against terrorists and those who sponsor them.

Kidnappers, disguised as policemen, abducted three Americans and an Indian national who holds resident alien status in the United States.

Some of those who remain in Beirut despite warnings from the U.S. government that they should leave.

Officials said this "sober" and "realistic" approach was, in part, the result of the Iran affair.

Mr. Reagan's statement said that the U.S. has an "obligation" to help Americans who are denied their rights, but warned of the limits on that help, and added, "In particular the situation in West Beirut has deteriorated to total anarchy with armed criminal groups taking the law into their own hands."

Mr. Speaker said that some of the four professors kidnapped Saturday at Beirut University College, of whom three are Americans, were warned individually last spring by the U.S. Embassy to leave, but chose to remain.

The United States, he said, would keep open all options, including economic sanctions and military action, in response to the kidnappings, but he said military action was not under "consideration."

The United States, Mr. Speaker, said, would not close the U.S. Embassy in Beirut.

Asked about the West German decision not to quickly extradite a Lebanese hijacking suspect to the United States, Mr. Speaker said the administration would continue to work through legal channels for ex-

of responsibility for the kidnappings.

There were more details Monday regarding the abduction of the professors. Sources said the four men, disguised as policemen, said they had been sent to the campus to safeguard the foreign staff members and their families.

The professors, their wives and several other American women were called to a meeting with the supposed police officers, who told them that "we are now going to act out what a real kidnapping would look and feel like."

"They put handcuffs on the four men while one of the 'policemen' drew his revolver, the sources said. The Americans, not realizing what was happening, were joking and laughing during the abduction.

There were no immediate claims

BEIRUT: Pair Seized by Gunmen

(Continued from Page 1)

Jesse Turner, 39; Robert Polhill, 56; and Mithileswar Singh.

The seizure of the two men on Monday brought to 12 the total number of foreigners kidnapped in West Beirut in the past two weeks.

"They are foreigners but I do not know their nationalities," said a clerk in a shop who saw them being taken away. She said they spoke English.

She said the two men, in their 20s, entered the shop and appeared as if they were afraid and trying to escape from someone.

Before long, the woman said, two gunmen "came inside and each grabbed a man by their hair, stuck pistols in their stomachs and dragged them outside," she said.

There were no immediate claims



Lawrence MacDonald

CHINA: Reporter Barred

(Continued from Page 1)

said in a statement made available through its bureau.

The reporter will be allowed to return to Beijing to pack his household belongings and ship them out from China.

Mr. MacDonald is the third Western correspondent forced to leave China within three years. Tiziano Terzani, a Chinese-speaking Italian journalist working for the West German magazine *Der Spiegel*, was expelled in 1984 amid allegations of antique smuggling that were never proved.

Last summer, John F. Burns, the New York Times bureau chief in Beijing, was detained for six days and then expelled after being accused of spying because of a visit to an area closed to foreigners.

There has been no comment on Monday's Foreign Ministry order from the U.S. or French embassies in Beijing.

Brandt Successor Won't Be Ran

New York Times Service

BONN — Johannes Rau, the West German Social Democrats' defeated candidate for chancellor, renounced any claim Monday to succeed Willy Brandt as party chairman next year.

At a meeting of the party leadership called to examine Sunday's election results, Mr. Rau said that he intended to remain a deputy party chairman but concentrate his energies in North Rhine-Westphalia, where he is the state's premier.

Mr. Rau's statement appeared to deprive the Social Democrats' right wing of a candidate who might aspire to succeed the 73-year-old Mr. Brandt, who has said that he will relinquish the chairmanship at a party congress expected to be held in the summer of 1988.

NUCLEAR: British Inquiry Panel Urges New Plant

(Continued from Page 1)

United Kingdom or elsewhere," Sir Frank said. However, he did conclude that the risks would be greater for the workers, although still small from a statistical standpoint.

"My best estimate," he said, "is that one or two workers at the station would die of radiation-induced cancer, and one worker would die of operational causes other than radiation exposure during the lifetime of the station."

The report was criticized by opposition politicians and anti-nuclear groups. William Rodgers, the spokesman for the Social Democratic and Liberal Party alliance on energy issues, said it would be "highly irresponsible" for the government to approve the Sizewell plant before the election.

Stewart Boyle, the London spokesman for the environmental

WORLD BRIEFS

NATO Seeks Wider Troop-Cut Talks

VIENNA (Reuters) — NATO will soon invite the Warsaw Pact to take part in a new negotiating conference on reducing conventional forces across Europe, a U.S. spokesman said Monday.

Warren Zimmermann, who heads the U.S. delegation to the Conference on Security and Cooperation in Europe, said that such talks eventually would replace the Mutual and Balanced Force Reductions talks, which are limited to forces in Central Europe. Those talks have made little progress in the nearly 14 years since they began.

Mr. Zimmermann said the North Atlantic Treaty Organization would first seek talks with the Warsaw Pact on a mandate for a new conference. He said that France, which left NATO's integrated military structure in 1967 but remains a member of the alliance, had agreed to join in the proposed conference if it were linked to the Vienna conference on security and cooperation. But he said any such link would be a loose one.

Pakistani Aide to Visit India for Talks

ISLAMABAD, Pakistan (UPI) — Pakistan announced Monday that Foreign Secretary Abdul Sattar would visit India for talks on defusing tensions that have sparked new military buildups on both sides of the Indian-Pakistani border.

A government spokesman said the decision came in response to an invitation from Indian officials who on Sunday signed talks between a Pakistani envoy and India's foreign secretary, A.S. Gonsalves, to end the border dispute.

Details of Mr. Sattar's visit to New Delhi were being worked out "through diplomatic channels," the spokesman said. No date was set but the spokesman said the trip would begin soon. In New Delhi, a Foreign Ministry official said. "A secretary-level delegation is welcome here at any time."

U.S. 6th Fleet Searches for Plane Crew

NAPLES (AP) — The U.S. 6th Fleet searched Monday for seven crew members of a navy aircraft that crashed in the central Mediterranean, a U.S. Navy spokesman said.

The plane went down shortly before midnight Sunday, said the spokeswoman, Patricia Hooks. She said the aircraft was on a routine flight in support of 6th Fleet operations. Other details, including the type of aircraft, were not immediately available. The identities of the crew members were being withheld until relatives could be notified, she said.

The 6th Fleet ended a week of maneuvers Sunday that were described as the largest exercises in the Mediterranean in the past year.

Spanish Student Protests Continue

MADRID (Reuters) — Spanish high-school students boycotted classes and staged isolated protests Monday, a spokesman for the Students' Union said.

Witnesses said students obstructed traffic Monday in Madrid and demonstrated outside the Education Ministry, where talks were expected to resume with the students on demands for social benefits and easier access to universities.

The spokesman said that voting in high schools showed clear support for the union's call for Monday's one-day strike to demand the resignation of Interior Minister José Barrionuevo Peña. The call followed clashes in Madrid with the police in which 24 persons were injured.



Wendy Schwaninger/Reuters

British Telephone Repairmen Picketing Monday in London

LONDON (UPI) — Britain's 110,000 telephone repairmen claimed "almost 100-percent support" Monday for their nationwide strike over pay and working conditions but British Telecom, the telephone utility, reported no major problems.

A spokesman for the strike organizers, the National Communications Union, said, "There is almost 100-percent support for the strike and in addition some 7,000 clerical workers refused to cross picket lines." But a Telecom spokesman said: "The telephone network is pretty resilient. We are confident that we can manage to maintain an adequate service for some considerable time."

No major problems were reported in London's financial district, where stockbrokers and finance houses rely on computerized trading data transmitted by special telephone lines. About 34,000 telephone executives are expected to work repairing major breakdowns, servicing major customers and maintaining emergency services.

Uganda Leader Vows to Crush Rebels

KAMPALA, Uganda (Reuters) — President Yoweri Museveni pledged Monday to crush anti-government rebels and revive production in the country's shattered economy.

Addressing a military parade to celebrate the first anniversary of his assumption of power, Mr. Museveni repeated his pledge to wipe out rebel guerrillas in the north within five months.

For the Record

President Ronald Reagan will visit Italy in June immediately before a summit meeting of the Group of Seven industrialized nations in Venice June 8-10, diplomatic sources said Monday. He is expected to meet with Pope John Paul II as well as Italian leaders.

The London offices of The New Statesman were searched Monday for the second day by the police in an attempt to trace the source of its revelation that Britain planned to launch a spy satellite over the Soviet Union.

Corrections

The painter of "La rue Mosnier aux Paveurs," was misidentified in the Saturday-Sunday editions. The artist was Edouard Manet.

The intended recipient of the secret Philippine document that was displayed at a press conference by Communist rebel representatives was misidentified in the Saturday-Sunday editions. The document originated with the military chief of staff, General Fidel V. Ramos, and had been destined for Jolok Arroyo, the government executive secretary.

MANILA: Aquino Allows 20,000 to March on Palace

(Continued from Page 1)

decision to let the marchers through.

As the march ended, members of Mrs. Aquino's cabinet, deputy ministers and presidential aides lined up with the protesters in what they described as a gesture of reconciliation and peace.

Leaders of the left, which military sources say is heavily infiltrated by the Communist Party of the Philippines and members of its guerrilla army, were exultant Monday. They claimed to have scored a major propaganda victory over the government and armed forces as the nation prepares to vote on a new constitution Feb. 2.

TAPES: Tapping Alleged

(Continued from Page 1)

and a transcript, were released by a former legislator, Homobono Adaza, an opposition figure who has sought to embarrass Mrs. Aquino as the plective on the draft constitution nears.

On Monday night Mr. Adaza called the presidential palace's explanation "ridiculous." The controversy threatened to widen as he promised to release more tapes, which he said were "somewhere in a vault in Manila."

The next tapes scheduled for release, according to several sources who have heard it or heard about it involves a close relative of Mrs. Aquino's discussing the Moslem rebel situation with a high-ranking official at the U.S. Embassy in Manila.

Mr. Arroyo, in his remarks Monday, left open the question of whether the taping was still going on. The conversation between the Aquino relative and the embassy officer apparently took place about three weeks ago, the sources said.

Diplomats and other sources said they believed the former president, Ferdinand E. Marcos, left behind remnants of an extensive wire-tapping system aimed at his political enemies, most of whom are now in government.

Military officers have denied making the tapes. Mr. Adaza says he did not obtain his copies from military sources.

Mr. Arroyo and other aides said they were considering legal action against those responsible for the taping and for the distribution of copies to the media.

KENNEDY: Low-Budget Activism

(Continued from Page 1)

say they intend to press the minimum wage debate not in the Great Society terms of the Johnson era of the 1960s, but in the contemporary language of the Reagan era by insisting that jobs should be enough to give workers enough buying power to keep the economy healthy.

A worker can be employed full-time at the minimum wage of \$3.35 an hour and still fall far below the current federal poverty standard of about \$11,100 a year for a family of four, according to Mr. Kennedy. He will push for an increase, possibly to \$4.50 an hour.

Mr. Kennedy portrays his health insurance program as a similar protection for workers. An estimated 37 million Americans do not have health insurance coverage. Under the Kennedy plan, all employers would be required to provide medical insurance for full-time workers.

Both the higher minimum wage and basic health insurance are tailored to the contemporary political climate and Mr. Kennedy's new posture, his supporters say.

The proposals, according to a Kennedy staff member, are "two programs that don't cost the federal government a nickel, that don't involve hiring a single bureaucrat, but with tremendous benefits."

Nevertheless, the administration is skeptical about raising the cost of doing business, and companies likely to be affected — primarily small and medium-size enterprises.

UNIVERSITY DEGREE BACHELOR'S • MASTER'S • DOCTORATE For Work, Academic, Life Experience. Send detailed resume for free evaluation.

PACIFIC WESTERN UNIVERSITY 400 N. Sepulveda Blvd., Los Angeles, California 90047, Dept. 22, U.S.A.

BONN: Kohl's Victory

(Continued from Page 1)

for some of his allies in the North Atlantic Treaty Organization, is the configuration of the West German left. The pacifist Greens party, which wants to pull the country out of NATO, drew an impressive 8.3 percent of the vote Sunday, extending its reach out of the big cities and into the rural areas.

Together, the Greens and the left-of-center Social Democrats hold 45.3 percent of the electorate, a potential base that has room for growth considering that the Social Democrats had their worst result since 1961.

The drama of the West German left is likely to turn on attempts by some Social Democrats and the so-called realistic wing of the Greens to move toward a national alliance to fight the 1991 elections together.

Oskar Lafontaine, the up-and-coming Social Democratic premier of the Saarland, held a news conference Monday in Bonn and urged his party to open itself to the Greens.

Four years ago, veteran politicians predicted that the Greens were a flash in the pan and would be eliminated from the Bundestag in 1987. But local elections have entrenched Green activists across the country, and they often form controlling alliances with Social Democrats; a coalition of the two parties governs Hesse State.

Unless the Free Democrats demonstrate an unlikely readiness to desert their current coalition partners, the only option for the Social Democrats to come to power in 1991 may be to contemplate a national coalition with the Greens.

Both in 1983 and on Sunday, West German voters showed they were not tempted by the adventure of a "red-green" coalition. Yet as the Greens blend into the West German political landscape, it is impossible to say how adventurous such an alliance will appear to the voters in 1991.

BUSINESS LISTS FROM BELOW GARDEN Send a List of Missing Labels for only Yellow Page Catalog in U.S.A. by Mail. Please Contact Us by Postcard. American Business Lists, Inc. P.O. Box 3726, Dept. 4397, New York, N.Y. 10116. Phone (212) 725-1190. Telex 910-024-ABUSA

Visiting New York City? Gramercy Park Hotel Distinguished 500 room hotel with excellent Restaurant, Cocktail Lounge, Room Service and Piano Bar. Overlooking Gramercy Park with newly decorated rooms. Singles \$90-100 Doubles \$95-105 Suites \$125-200 Group rates and attractive monthly rates available. Call Gen. Mgr. Tom O'Brien (212) 475-4320. Cable 668-755. Telex GRAMPARK 21st St. and Lexington Ave. New York, NY, USA 10010 or call your local Uteff office.

Poverty — and Militancy — Among Blacks Is Increasing in U.S. Cities, Studies Show

By John Herbers

TOLEDO, Ohio — When the Reverend H.V. Savage established his Kitchen for the Poor in 1969, he envisioned the free food center in the heart of Toledo's black district as a temporary measure until economic gains took root from civil rights laws and government anti-poverty programs.

Almost two decades later, Mr. Savage, surrounded the other day by mounds of potatoes, volunteers, and street people waiting for a meal, acknowledged that many Toledo blacks had moved up the economic ladder and out of poor neighborhoods. But he said that black poverty had spread nevertheless, both in numbers and in the areas in which it is concentrated.

"It is worse, not better," he said, an opinion echoed by many white and black leaders and substantiated by census figures in Toledo, an industrial city that, like many others, is struggling to adjust to a service economy.

A new study, based on census figures for 1970 and 1980 and later surveys, found that the nation's largest cities have a growing concentration of blacks living in poverty. While the overall rate of poverty in the nation increased slightly in those years, to about 13 percent in 1980, the number of people in poverty in the 50 cities jumped 11.7 percent at a time when the cities were losing population. "All in all, the picture is grim," said Richard P. Nathan,

a professor at Princeton University, who conducted the study.

"Urban problems are getting worse at precisely the time the nation is doing less about them," said Mr. Nathan, who was a top official in the Nixon administration and later headed studies on the fiscal crises of cities and the effects of the Reagan administration's budget cuts.

Concentrated black poverty in large cities has become a central concern of many political scientists, who see the increasing isolation of the poor as perpetuating the cycle of unemployment, broken families, teen-age pregnancy, crime and drug use.

Whites fear that black poverty may spread into their areas, and they react in irrational ways, the experts say. As a result, black militancy has increased until, in some communities, it is said to be at its highest since the urban riots of the 1960s and early 1970s.

Mr. Nathan began his study by comparing 1970 and 1980 census figures from the nation's 50 largest cities, which usually have the largest concentrations of poverty. The Census Bureau lists as poverty areas those in which 20 percent or more of the population is below the poverty line as defined by the federal government. Extreme poverty areas are those where 40 percent or more of the people are below the poverty line. In 1980, the government's official poverty level for a family of four was \$8,414.

In 1980 the total population of the 50 cities was 37,815,907, a decline of 5 percent over the 10-year period.

But the overall population for the 50 cities with income below the poverty level increased in the decade despite the population loss. It rose 11.7 percent, to 6,708,464.

The number of poor whites, however, declined 18 percent, to 2,629,498, while the number of poor blacks rose 18 percent, to 3,140,292, over the same 10 years.

The cities became both blacker and poorer, with the

blacks falling deeper into poverty while whites rose from poverty at the same rate, the study showed.

That, however, does not tell the extent of the concentration of poverty.

Poor whites living in poverty areas declined 5 percent over the decade, to 1,106,166, but the number of poor blacks living in poverty areas rose 23 percent. In 1980, 84 percent of poor blacks lived in poverty areas, as against 47 percent of poor whites.

In 1980, Census Bureau figures show that the overall poverty rate for the country was at about 11 percent while it was 32 percent for blacks, 25 percent for Hispanic people and 10 percent for whites.

Census Bureau surveys show that the number of poor blacks living in poverty areas of 243 cities continued to increase through 1983, even as those cities continued to lose population to the suburbs.

Information obtained from census surveys of 1985 by John D. Kasarda, chairman of the sociology department at the University of North Carolina at Chapel Hill, shows that although some of the larger cities had stemmed their overall population losses, the number of whites continued to decline as blacks increased.

It is largely the poor blacks whose numbers are increasing; middle-class blacks have joined whites in many areas in moving to the suburbs, studies have shown.

The studies also have shown that the economic revival of central cities has been of little benefit to the poor, except for people with low-paying service jobs, such as hotel maids and fast-food clerks.

And blacks, who were beginning to improve their income a few years ago through industrial jobs, have been particularly hurt by the general trend to lower wages in the new service economy.

In 1980, Toledo had a population of 354,000, of whom 61,000 were blacks. Most of them settled in the city in the 1940s and 1950s, moving from farms in Mississippi and Alabama to take jobs in what was then a booming industrial area where a person without training could walk to a factory job.

All that has changed for blacks and whites over the last few years as plant after plant has closed. The city is now rebuilding its downtown around new office buildings, a convention center, hotels and shops on the Maumee River, which opens into Lake Erie below Detroit, making Toledo a major shipping port with an attractive waterfront.

But the city is living under fear that its largest manufacturer, the Jeep Corp., which employs 6,000 people, will close as it has threatened to do in a war of nerves with the United Automobile Workers.

Like most cities, Toledo has experienced civil rights advances, from fair housing efforts that have opened new neighborhoods for minority people to the entry of blacks into business and politics.

But growth of black poverty areas and confinement of most blacks within a few square miles of the city south of downtown has created tensions.

Recently a white man, Kirk R. Taberner, 27, was sentenced to nine to 15 years in prison for firing a shotgun into the home of a black family that moved into a white neighborhood. He said his motive had been to "send a little message" to blacks.

'Urban problems are getting worse at precisely the time the nation is doing less about them.'

—Richard P. Nathan, Princeton professor

After 'Worst 60 Days,' Reagan to Address U.S.

By David Hoffman and Lou Cannon

WASHINGTON — President Ronald Reagan goes before Congress and the nation Tuesday for his sixth State of the Union address after a period that one adviser calls "the worst 60 days of his presidency."

Mr. Reagan begins the final phase of his presidency without solutions to the major unfinished items of his term: arms control and the deficit.

His primary objective in the speech is to address the growing perception that his presidency has been impaired by the Iran-contra affair and that he has grown too old, too out of touch and too dependent on his aides, according to senior White House officials and intimates of the president.

"It is a very significant speech, probably as important as any he has ever made," said former Senator Paul Laxalt of Nevada, a longtime friend of Mr. Reagan. "The intangibles are as important as the substance."

The speech comes at a time of extraordinary internal tension and drift at the White House.

The Iran affair has diverted the attention of senior officials since the arms sales to Tehran were disclosed in November. Mr. Reagan has been isolated from the public and from most of his staff during three weeks of recuperation from prostate surgery, his meetings limited to no more than 20 minutes.

"The missing character is the president," said a senior aide. Mr. Reagan's schedule is not expected to return to normal until mid-February, the aide said.

On Iran and other topics, the administration has been displaying open confusion.

Last week, the president's national security adviser, Frank C. Ciarulli, and the White House chief of staff, Donald T. Regan, privately expressed anger with a public campaign by Defense Secretary Caspar W. Weinberger for the early deployment of the Strategic Defense Initiative.

A senior official said that Mr. Weinberger was "free-lancing" his views without authorization from the president.

White House officials gave contradictory accounts of how closely Mr. Reagan had discussed the Iran controversy with senior aides, and there was private second-guessing of a speech by Vice President George Bush saying that Mr. Reagan remains convinced that he did not trade arms for hostages.

In another example of confusing statements, White House officials said no search was under way to replace William J. Casey as director of central intelligence. But then they acknowledged that Mr. Reagan and the president had talked to Howard H. Baker Jr., the former Republican senator from Tennessee, about taking the post.

Mr. Casey is recovering from brain surgery.

As the State of the Union address neared, White House officials had not agreed on one possible policy initiative in the address, a plan to provide insurance for "catastrophic" illnesses and injuries.

In November, the Department of Health and Human Services proposed an expansion of the Medicare health care program to provide unlimited hospital and medical coverage to program recipients. Reaction to the proposal among Reagan advisers has been mixed.

Referring to the Iran affair and other problems, one Reagan adviser



Orlando Luna, a Border Patrol officer, using an infrared telescope to find illegal aliens.

U.S. Border Patrol Sees a Drying Up Of Jobs as Way to Curb Illegal Aliens

WASHINGTON — The first sensor will tell the U.S. Border Patrol that illegal aliens have likely crossed into the United States. The second may give an indication of their route. The third may tell exactly which road they are going to take.

The pictures may appear on a television monitor.

Hundreds of these sophisticated sensors, including some that trigger television cameras, are part of the Border Patrol's high-technology fight against illegal aliens as the new U.S. immigration law takes hold.

But the chief of the agency, Hugh J. Brian, said that all the state-of-the-art equipment that money can buy will not stop illegal immigration if undocumented workers can still get jobs in the United States.

The immigration law signed by President Ronald Reagan on Nov. 6 is based on the theory that illegal border crossings will slow down when jobs dry up.

Beginning June 1, employers hiring illegal aliens will be subject to heavy fines if they knew that any of their workers hired after Nov. 6 were ineligible for employment in the United States. For the first year of the program, employers will be warned for the first offense.

"Even if we had people arm to arm on the border, unless we reduce the magnet, they're still going to come for the economics," Mr. Brian said, referring to the ease with which illegal aliens have been

hired in the United States until now.

Mr. Brian added: "We believe if we can cut off that magnet, the numbers would diminish. If there were no jobs, the magnet drawing them up here would diminish."

Officials say they do not know why yet, but illegal crossings at the U.S.-Mexico border have declined steadily in the 11 weeks since the law was signed.

Border Patrol statistics measure illegal crossings by comparing apprehensions with captures at the equivalent time a year earlier, a process that permits seasonal factors to be taken into account.

Apprehensions were down 17.5 percent in November, 24.8 percent in December and 29.6 percent for the week of Jan. 4-10, the last for which figures are available. The numbers have been down every week since the bill was signed, compared with a year earlier. In the 1986 fiscal year, 1.6 million illegal aliens were caught at the border.

In contrast to the recent numbers, the October figures show that captures increased 29.2 percent for the month before the bill became law.

The decline came about even after additional Border Patrol agents were reassigned to border areas. The extra manpower became available when the new law prohibited officers from entering open fields on private property without a warrant or the owner's permission.

Heavy rains may have caused some of the drop, but it also is possible that people have heard

Hart Campaign Urges a Sharp Rise In Funds to Improve Literacy Levels

WASHINGTON — Gary Hart, who is expected to again seek the Democratic nomination for the presidency, has issued a policy statement on education that calls for competency tests for all school teachers, a longer school year and sharp increases in federal spending on education.

The former senator from Colorado proposed a \$10 fee on each barrel of imported oil to help pay for a multi-billion-dollar program intended to elevate literacy levels and improve an education system he said was "racing toward obsolescence."

Mr. Hart had been scheduled to release his education plan Monday in a speech at the University of Virginia in Charlottesville. But after a snowstorm swept the mid-Atlantic states, the speech was postponed until Tuesday.

His campaign office in Washington released the text of the speech in advance. Mr. Hart is widely viewed as the leading candidate for the Democratic presidential nomination next year.

Education, Mr. Hart said in the text, was "the key to unlock the 21st century for America."

He said his program would: • Renew "the rewards and the challenges to teachers."

• Make "training and retraining as available to adults as public education is to their children."

• Provide comprehensive education and support for children living in poverty.

• Challenge "all Americans to join in a campaign to combat illiteracy."

Aides said Mr. Hart had been preparing the speech for months.

Mr. Hart, who was criticized during the 1984 presidential campaign for lacking substance, delivered a series of foreign policy lectures last June at Georgetown University in Washington.

The education speech mixed liberal and conservative approaches to remedying what Mr. Hart depicted as a lackluster public education system.

He continued to advocate major increases in school aid and training. He reiterated his support for a bill he introduced in April with Senator Lawton Chiles, Democrat of Florida, to provide \$17 billion more for science, education, training and trade promotion over three years. And he called for efforts to increase parents' choice of public schools for their children.

But in embracing the idea of choice and calling for competency tests for all teachers, Mr. Hart was sounding themes likely to anger teachers unions and other parts of the public school establishment.

A third of entering college freshmen read below a seventh-grade level, Mr. Hart said, and 90 percent of high school graduates "are scientifically and technologically illiterate."

"We pay for it as 11 million Americans are turned out of work by our huge losses in trade," he said.

President Ronald Reagan, he said, had "impoverished" the nation's security by cutting spending on education, including his current proposal to cut \$5 billion from the Education Department's budget of \$19 billion.

Teachers, Mr. Hart continued, should have their salaries increased and should be given more control over curriculum and discipline.

"Teacher overload must be relieved," he said. "Student-teacher ratios must be decreased, school days rearranged and school years lengthened."

Mr. Hart called for "peer-designed competency tests for all teachers, stressing language skills" and "in-classroom evaluation of starting teachers."

Educational programs to help poor children of preschool age should be expanded, he said.

Illiteracy could be dramatically reduced without a big rise in federal spending, Mr. Hart said. "If college students each volunteered 10 hours a month to the cause."

Students should be encouraged to major in engineering and to study foreign languages, he said, and he renewed a call for more joint initiatives between universities and industry.

He also renewed his support for an American Defense Education Act that would pour several billion dollars a year into the schools.

New Snowstorm Blankets U.S. East

Airports Shut, Travelers Stranded in 2d Blizzard in 4 Days

NEW YORK — As many as 300,000 government workers in Washington were given the day off Monday and major airports closed along the East Coast as a storm packed more than a foot of snow hit the Northeast United States.

The storm struck before many people had dug out from a similarly heavy snowfall four days earlier.

"It may look like the North Pole," said Mel Goldstein, director of the Weather Center at Western Connecticut State University in Danbury, on Sunday as the storm headed up the Eastern Seaboard.

The storm spread snow, sleet and freezing rain from the South into New England, downing power lines, stranding travelers and causing chain-reaction collisions on glazed highways.

Accumulations on Monday included 12 to 16 inches (37 to 48 centimeters) in southern New Jersey, 20 inches at Andrews Air Force Base outside Washington, and 19 inches at Westminster, Maryland. The storm followed the path of one that dumped a foot or more of snow beginning Thursday from the Carolinas to New England, causing 48 deaths.

Wind gusting to 50 mph (about 80 kph) caused considerable drifting and low visibility over southern New Jersey.

Philadelphia International Airport closed before dawn. Charlotte-Douglas International Airport in North Carolina closed Sunday night because of ice. In the Washington area, Dulles and Baltimore-Washington airports also shut down as the storm moved in, and National Airport closed for part of the morning.

Late Sunday, the U.S. government gave the 300,000 workers in the capital area the option of working or whether to report for work Monday. The Supreme Court did not convene. Most state offices in southern New Jersey closed and

INTERNATIONAL CLASSIFIED

Advertisement for International Classified services, listing various agencies and their contact information across multiple columns.

Israel Chides Reporter in U.S. Over Report on Iran Affair

TEL AVIV — The Israel Broadcasting Authority has decided to reprimand but not recall Israel Radio's Washington correspondent for his reporting on the Iran arms affair, a spokeswoman said Monday.

Shimon Shiffer was reprimanded by the association's director-general, Uri Porat, and was forbidden to give interviews or lectures, or to publish newspaper articles or books, for the rest of his time in Washington, said the association's spokeswoman, Ariella Ravdahl.

She said that Mr. Shiffer was told that his two-year posting would not be extended an extra

year as is customary and also was warned that if he violated regulations again he would be recalled.

Earlier this month, Mr. Shiffer was interviewed by NBC and CBS television and said it appeared that Israel had initiated the idea to skip U.S. arms from Israel to Iran.

Ms. Ravdahl said that Mr. Shiffer had apologized and had said his command of English was not good enough for him to be able to comment on such a sensitive subject.

Mr. Shiffer served as Israel Radio's political correspondent before he was sent to Washington six months ago for a two-year posting.

Advertisement for Charvet sales at 28, PLACE VENDÔME, featuring authors wanted by N.Y. publisher.

Handwritten Arabic text at the bottom of the page.

Herald Tribune

Genscher's Line Prevails

West German voters have come out resoundingly for a continuation of the steady, unambitious policies of Foreign Minister Hans-Dietrich Genscher...

ton on issues of arms control. He differed with West German policies on the Middle East and NATO and with European decisions concerning South Africa.

Wages and Competition

One enduring theme whenever the U.S. Congress takes up trade legislation is the unfairness of competition with low wages abroad.

As countries climb up the ladder of technology, wages usually rise rapidly. The idea that Taiwan will drag down America is absurd.

Controls Out of Control

In March 1983 an American company won an order to sell an advanced medical spectrometer to Eastern Europe but had to wait 910 days for an export license.

been affirmed by a National Academy of Sciences panel that includes two former directors of the National Security Agency.

Other Comment

Superhype + Some Football Sport evokes something deep in the human spirit — a competitive and frequently gracious quality.

pays to celebrate professional football is less than Cap Weinberger spills from the Pentagon's petty-cash drawer.

A Plague of AIDS Slurs Against America

By Roy Godson

WASHINGTON — On a winter day in early 1985 the KGB began a worldwide campaign to blame the United States for starting the AIDS epidemic.

the world by U.S. servicemen who had been used as guinea pigs for the experiment.

Given the special horrors of both chemical warfare and AIDS, Soviet agents almost certainly hope to link the two and muddle the debate.

tact with Westerners by portraying them as potential carriers of the disease.

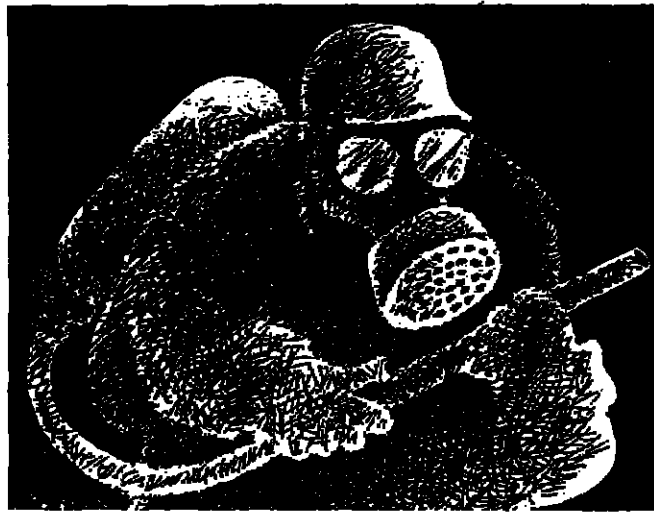
Literatnaya Gazeta published alleged claims by John Seale, a London-based doctor, that AIDS is a biological weapon.

Chemical Weapons Will Keep On Proliferating

By John C. Anusand

SILO — The emotion-laden question of chemical weapons is once again forcing its way to the surface.

Korea may be seeking to acquire them, the magazine said.



Drawn by RODDEEN in Elsevier's (Amsterdam), CEW Syndicate.

Although discussion has focused recently on the question of whether NATO should modernize its chemical weapons, the problem is a global one.

The Pentagon maintains that herbicides and riot control agents are not chemical weapons, but some would include the U.S. use of those agents in Southeast Asia on this list.

get a treaty through the Senate. The experience with the 1972 biological weapons treaty has not been encouraging.

Shock Therapy: America Needs the IMF Treatment

By Alan J. Stoga

NEW YORK — In 1986, the international economic position of the United States continued to deteriorate — a deterioration that, if unchecked, almost certainly presages a decline in the American economy and standard of living.

analysts are now forecasting only a \$40 billion improvement in the trade deficit. This means that the net foreign debt would continue to grow about \$100 billion per year.

course. This would set the stage for more fundamental improvements in the structure of the U.S. economy that are necessary to restore American competitiveness and rebuild the nation's standard of living.

What Africa Demands Is Realism

By Anthony Lewis

ABORONE, Botswana — A quiet neighbor of South Africa, Botswana is in many ways a model of what one would like to see in Africa: a genuine democracy, nonracial, devoted to free enterprise.

Pretria's neighbors dismiss Washington's ideological argument.

Marxist or whatever. But it is a great mistake to think, as some American conservatives do, that everything that falls along East-West lines, Africans are much less interested in being "pro-Soviet" or "pro-American" than in dealing with their own problems, especially apartheid.

The writer is an associate professor of government at Georgetown University and editor of Soviet Disinformation Forecast. He contributed this column to The Washington Post.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1986-1987

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen LEE W. HUERNER, Publisher

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: The Czar's Censor ODESSA — It is some time since the Russian foreign press censor last honored the Herald with his abominable "caviar" brush.

1937: Clashes in Algeria ORAN — Seventy-five demonstrators and 25 Mobile Guards and troops were injured in clashes here [on Jan. 25].

سكرا من الاصل

OPINION

Two Worlds in One City: Continents Drifting Apart

By A.M. Rosenthal

NEW YORK — He was my teacher at City College and I called him for lunch because I wanted some advice. He was the best teacher I ever had and the only black teacher, I had admired him for decades, for his historic work in desegregating schools, for explaining the reality of the Harlem ghetto, for creating lives and careers for young people — Ken Clark, Dr. Kenneth B. Clark.

I wanted to talk about something about New York that seemed more and more important but was almost taken for granted: the moving apart of black and white, continents drifting fast.

I had been talking about it to a number of people in the city but we went around and around what we all knew — anger, vicious white know-nothings, vicious black demagogues, bad schools and worse housing, slums, one out of two black babies born into poverty, whites mugged, black kids wandering through life without jobs. What could a man say or write that would be of any use and not more blah blah blah?

Ken had been struggling for most of his life with all this. He put out his cigarette; he smokes too much and knows it. More than a quarter century ago he wrote his classic study, "Dark Ghetto." Since then, he said, things had become worse all around, schools worse, drugs worse, crime worse. He had not expected so many things to get worse.

But you are an optimist, he asked, aren't you? Well, in a way, I answered; you have to be an optimist to be a daily newspaperman because every day the world starts all over again and so do you. But optimist or not, you could not escape the truth of the drift — the city was sliding deeper and deeper into a variety of self-imposed segregations.

White parents afraid of crime had taken their children out of public schools by the thousands. Blacks and whites lived lives apart. There was a sprinkling of more black faces in white offices, but after work, and often during work, blacks and whites stayed apart about as much as before.

You could count the times you saw blacks at New York parties and dinners at home given by whites. How many

white New Yorkers had ever been in a black home, or been asked?

Blacks and whites come together in subways and about for the same teams at the stadiums — in the bleachers, not the boxes. The white kids who are still in public schools come from blue-collar families generally. The higher up you go economically, the more the segregation of school and living place.

Most dangerous is segregation of hope — generation after black generation growing up without jobs and accepting welfare, public charity, as life. We talked back and forth. There were some glum silences and then we both decided that despair was about as useful as a hole in the head.

Ken said there were things to be done and that when he said what he really thought the words might sound tired but they were true. The need for human sensitivity, between one person and one person, one group and another group, it all begins with that, he said. But it has to be taught over and over, in schools, at home, in the office, everywhere. We talked of the absolute need to get rid of racial stereotypes, the automatic tensing, edginess about working together, the nasty racial joke. He was not talking about making saints of us, just making us take a look at each other and mostly at ourselves, and then working at it.

Ken is a social psychologist, and whatever he had taught me, that and the rest of life made me realize that there simply was no other foundation. Sensitivity, the realization of yourself in another, was the soil without which nothing would root.

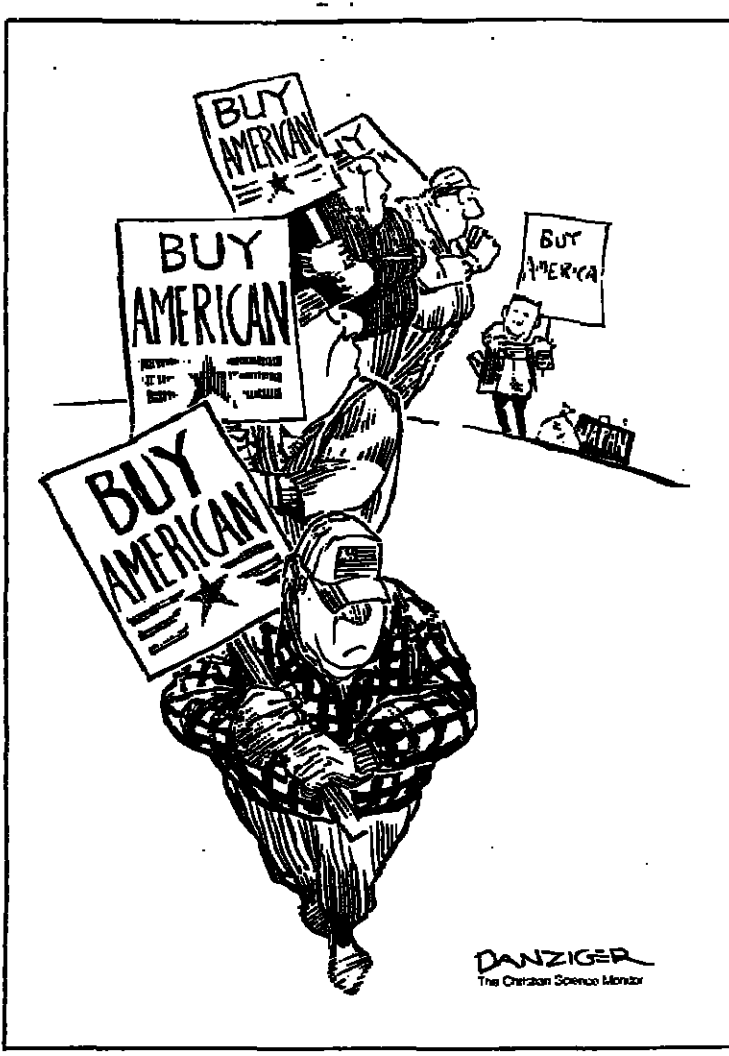
We talked some about the young white man in Howard Beach who dated a black girl who liked him, and how he went out recently and beat up a man because he had a black face. How could that be? Incomprehensible.

We talked about a young black writer, Michael Meyers, who had the courage to denounce black opportunists and extremists. Taking on either "establishment" is easy; taking on the fringes is not. They are often popular with your peers and they are fight back mean.

Write about teaching human beings about other human beings, Ken said again; start from there.

Will that get any black kid a job? Well, he said, write about that, too, about people who have ideas about getting black young people into work, including those on welfare. Like Governor Thomas H. Kean of New Jersey, because work is the only way up and out. We both knew that job power remained in white hands but that breaking down the welfare trap is for black and white.

Write about sensitivities and work, Ken said. It's basic and worthwhile. The New York Times.



Naturalized Citizens of the Global Village

By Christine Chapman

TOKYO — We knew all along that the Japanese would make it first: a new human breed. *Shin jinru*, or new breed, a word coined in 1985 to describe those born in the 1960s, became so ubiquitous in 1986 that it was selected in December as the most popular word of the year by Jiyu Kokuminsha, the publishers of the yearbook "Gendai Yogyo Kiso Chishiki," or "Basic Knowledge of Contemporary Terms."

"Shin jinru" won a gold medal, acceptance as a cultural pejorative and a smart sales pitch, and the righteous disapproval of the old breed, the *kyu jinru*. The new breed is the enemy, roaming self-indulgently through the country, flaunting youth and money, which they earn at part-time jobs. While America's latest monster film, a remake of "King Kong," plays in theaters, Japan's own Frankenstein is on the loose.

Reading the diatribes that range from the government's "White Paper on Youth" to a vituperative article titled "Drop Dead, Shinjinru!" one understands that the nation which created them regrets it. The columnist who wrote the article said that without discipline "the new breed will become lazy and unwilling to work like Americans."

Their sex appeal is another sore point. Shin jinru are bigger, taller, more athletic than their parents. Some of the men, wanting to appeal to women, are turning to *mudpacks* and *makeup*; some of the women, committed to their education or careers, are willing to do *laosai*, or live together, with boyfriends, rather than marry.

Rather shocked, The Japan Times recalled in an editorial that 20 years ago

young people did not even hold hands in public and "now they snuggle like Parisians." It pointed to "the trend toward establishing sex, together with conservatism, as perhaps the paramount value of the emerging generation."

Furthermore, middle-aged Japanese are complaining that "the younger generation is usurping their prerogative to dictate social mores," wrote an editor and social critic, Tetsuya Chikushi, in a recent article in Japan Quarterly magazine. They criticize the new breed, the

digital shiko, a way of thinking in which facts come quickly and disappear just as quickly. Trained to collect a catalogue of knowledge for multiple-choice questions on entrance examinations, students become clever at picking up information and knowing a little about everything. For keen mental agility they are rewarded with admission to university.

Said one student, semi-apologetic about her privileged status: "I've never been without food, water and television. The media have been friends since birth and I breathe with them."

Given status, then exploited by television as it glorifies the young — sumo wrestlers, baseball players, girl and boy "idol" singers — the new breed is adept "at swimming in the world of media," as the word yearbook describes it. Outspoken, they express themselves frankly, without mock embarrassment, and with winning self-deprecation.

A university student in Tokyo told me: "We don't have a passion for political and social reform like students of former generations."

"We spend our time and money for playing," she said, for studying. We don't know the name of the foreign minister, only the name of tonight's drinking party manager. We live in the world of individualism, but it's not very strong. We prefer to do the same things."

The government's annual white paper lamented that "the grand dreams and noble spirit so typical of young people have disappeared."

Indeed, they seem absorbed in their private worlds. Disneyland of endless pleasure. They appear to have the best of everything: freedom, money, brand-name ski jackets, trips to exotic beaches, and appetite for spicy foods, ethnic restaurants and bullroaming dancing.

Of course, they want to prolong youth. Even the children in primary school, 70 percent of them along with 60 percent of high school students, according to the government report, said: "I do not want to become an adult too soon."

The old breed fears that the homily, "When you become old, yield to your children," is no longer sensible. Today they think, "Never trust anyone under 30." Their children may always be children. Peter Pans and Cinderellas, who, with their pretty Western ways, have outdistanced the old folks.

It is their most grievous fault: adapting Western attitudes and discarding warring or harmony, for international civility. They are eager — another new term — or eclectic; they are "naturalized citizens of our global village," says The Japan Times. There is even a new new breed, *shin shin jinru*, grade-school kids who were born with a computer in the nursery and a microwave in the kitchen.

As Shakespeare might have put it, O brave new world! O bright new breed! The writer is a Tokyo-based journalist specializing in the arts. She contributed this to the International Herald Tribune.

MEANWHILE

article said, "for valuing the way they live above everything else, something their elders never thought much about."

But, commented an editorial writer in the Asahi Shimbun, "adults should accept the new values" and "recognize that there can be diversity in life."

Who are these people? How did they appear in staid and frugal Japan? Why are their older co-workers and their parents calling them *shin-jin*, or aliens? What have they done to deserve so much opprobrium and so few kudos?

The visible *shin jinru*, those in their 20s, articulate and affluent enough to make themselves heard, are the children of those who endured the suffering of World War II and the years of hunger following it. A mother of one of them, Kazumi Noda, 52, said to me: "They had no experience of the war, they don't know what it means to struggle, just trying to get on with life."

A woman who as a child plowed the fields of the family farm during the war told her daughter: "What I wanted first was to give my children much freedom. I decided that I would restrict you as little as possible, and let you live as you wished. My life had always been decided by something outside."

Besides the public dismay over the *shin jinru*, there is the pride of parents who were able to indulge their children. Such a practice is known here as the "hothouse syndrome" of child-rearing. During the past 20 years, Japan's ever-growing wealth has helped to shape the oldest generation gap in history. Parents admit that they don't understand the children whom they agree they have spoiled. And the new breed criticizes the old for working so hard, enjoying so little, being so conservative.

A Tsuda College freshman, Mayuko Ishihara, 19, explained to me, "Shin jinru is a young person who has a new thought that an older person doesn't have." A classmate, Midori Ito, said: "The new breed are light people who have modern ideas. I don't think deeply, but we do think highly of women's independence. So I am not ashamed of being called *shin jinru*."

Even their thinking process comes under attack. The word yearbook calls it

LETTERS TO THE EDITOR

Without Following Through

I have been attentive to the recent flurry of laments about the American penchant for self-criticism, or "self-flagellation," as David Bar-Ilan put it in "A Nation of Innocents, Much Too Hard on Its Leaders" (Jan. 16). I, too, have misgivings about this penchant of the Americans, but for a different reason.

The U.S. press and public have been known to indulge in scathing criticism for some time. One thinks of Vietnam, Watergate, millions of poverty-stricken Americans, the great number of functionally illiterate Americans and other post-industrial malaises.

Yet at the end, very little is done. Self-criticism has become an end in itself, an ego-trip with no major ramifications. What it does in the end is to render issues banal. All are fed up; few call for change or a redefinition of the situation. There is no change because there is no learning process, not even from one's own mistakes (the most elementary and potent form of learning). Alas for the United States and the world.

To revert to the revelations of Iran-

Let Latin Americans Do It

While traveling in Asia, I read the editorial "Ideas for a Latin Opening" (Jan. 10). It is urgent for Washington to reorient its thinking. Too often the issue is whether to support the Contras. The real issue is whether the conflicts in Central America will be resolved by military or by nonmilitary means. The Contadora process remains the one viable and dynamic alternative to violence.

On Dec. 14, I participated in a satellite telecast linking the Contadora presidents with more than 15 countries in North, South and Central America. Each leader spoke of the need for a

Latin solution to Latin problems.

It is time to support a diplomatic process that promotes these governments' capacity to deal with their own problems. RALPH WOLFF, Oakland, California.

The Colors of the Colonies

Regarding "After Decades of War, Prospects for Peace in Chad" (Jan. 22): Jonathan C. Randal recalls the days "when the maps of Africa were mostly blue for British and pink for French." As I recall, the British Empire has always been pink. (Cecil Rhodes dreamed of "a red road from the Cape to Cairo.") The French Empire has always been green. On most maps, those remnants which remain retain their historic hues. JOHN V. WHITBECK, Paris.

When I was a boy growing up in Britain, our maps were colored pink for British and green for French. Whose maps has Mr. Randal been looking at? JOHN PARRY, Geneva.

1987 good reasons to see Thailand this year. Majestic temples and magnificent elephants, glittering roofs and garlands of orchids, shining seas and shimmering silks, fascinating markets and fabulous silver, enchanting people and exotic cuisine...one could write a long book about the land they call Thailand (and many seasoned travellers have). And never has there been a better year to see Thailand than 1987. For this is "Visit Thailand Year" in the Land of Smiles. Among the kaleidoscope of festivities planned for 1987 you should try to catch some of these: Jan. 24-30. Don Chedi Memorial Fair featuring historic and folk art exhibitions as well as traditional entertainment in Central Thailand. Feb. 13-15. Chiang Mai Flower Festival. A million blooms, a thousand smiles. One of the unforgettable moments of your life. April 3-13. The Glory of Ayutthaya. A spectacular son et lumiere, set in Ayutthaya, once the capital of Siam. April 13. Songkran Festival - The Thai Lunar New Year. A nationwide water festival where you'll see the most extraordinary rituals. Everything from "water-throwing" to the freeing of caged birds, from folk dancing to beauty parades. May 9-10. Bun Bang Fai Festival. "Bang" indeed. Each May, in the northeast of Thailand, villagers fire giant 20-metre rockets into the sky to ensure the monsoons come (and they always do). A fireworks show like no other you've ever seen. July 10-11. Candle Festival. In the northeast town of Ubol Ratchathani, beautifully embellished beeswax candles, some 25cm in diameter and 2 metres high, are ceremoniously paraded through the streets before being presented to temples. Sept. 23-Oct. 1. Vegetarian Festival. Fire-walking and vividly colourful parades in Phuket celebrate the Vegetarian Festival of Thailand's Chinese descendants. Oct. 16. Royal Barge Procession. An armada of brilliant colours, pageantry and rare splendour not to be missed. Nov. 5. Loy Krathong. Celebrated nation-wide, this is Thailand's loveliest festival when, under the full moon, Thais from all walks of life honour water spirits and wash away the previous year's sins by floating away onto rivers and waterways small banana-leaf boats bearing a lighted candle, incense, a flower and a small coin. The former capital of Sukhothai provides a particularly picturesque setting for this festival. Nov. 14-15. The Elephant Round-Up. Ever seen 100 elephants enact a mediaeval War Parade? You will if you come to Surin in north-east Thailand for this extraordinary display of intelligence, strength and gentleness. Nov. 26-Dec. 4. River Kwai. Come to a thrilling son et lumiere spectacle set around the world-famous bridge. Nov. 22. Bangkok Marathon. A major sporting event commemorating His Majesty the King's 60th Birthday Anniversary. Dec. 15. Light and Sound Presentation. A glittering occasion not to be missed at the Royal Grand Palace and the Temple of the Emerald Buddha. These are only a small selection of the truly stunning special events that mark 1987 as Visit Thailand Year - events that also include a Floral Float Contest in March and the Ploughing Ceremony on May 6 which marks the beginning of the official rice-planting season. Make your holiday plans now. And make sure you fly on Thailand's own airline, Thai International. Where the exotic sensations that are Thailand start from the moment you step on board.

Bokassa Trial: Reliving Memories of Tyranny

Central Africans Tune In Radios To Hear Recital of Grisly Murders

By Jonathan C. Randal
Washington Post Service

BANGUI, Central African Republic — Charged with cannibalism, mutilation, sadism, massive embezzlement and 38 murders, the former self-proclaimed emperor of this impoverished nation has become one of the first African tyrants to be put on trial in a continent infamous for human rights abuses.

The proceedings are rife with technical irregularities, the testimony often confused and contradictory, the pace slow and the politically sensitive verdict still months away.

NEWS ANALYSIS

But Jean-Bédél Bokassa, 65, a former French colonial army officer, is getting the trial he thought he wanted when he inexplicably left his exile in France and flew back home on Oct. 23, 1986.

Inside the high-ceilinged courtroom, many yellow plastic chairs in the public gallery are empty, in part because the only two electric fans are reserved for the judges, jury and state prosecutor. Sweat soaks the elegant blazers and dresses of those determined to see Mr. Bokassa in a courtroom as a prisoner, not a monarch.

Mr. Bokassa's French lawyers say that he had thought naively that the most he risked by returning was banishment to his native village, although he had been condemned to death in his absence in a 1980 trial.

The witnesses' testimony covering Mr. Bokassa's 14-year reign constitutes a rare time in independent Africa that such abuse of limitless power has been recorded.

In 1979, Francisco Macías Nguema, the former president who had ruled Equatorial Guinea since independence from Spain in 1968, was executed after being convicted of genocide, treason and embezzlement of public funds.

A witness charged that Mr. Bokassa had her aged mother arrested and shot because she was a "monkey woman" born with four breasts, a physical anomaly said to endow her with supernatural powers to free her son from the infamous Ngaragba prison in Bangui. In any event, the son, General Martin Lingoupou, died there, deprived of food and water.

According to another witness, the penis of a second general, Jean-Claude Mandaba, was severed and dispatched to Mr. Bokassa as proof of Mr. Mandaba's execution in the same prison.

Once a former Bokassa security officer said, Mr. Bokassa was confronted with "obscene photographs" showing his wife Gabriella, a Romanian ballet dancer, cavorting with a maid and with a security staff member. Mr. Bokassa had the maid and four security men arrested, tortured and killed, according to the surviving officer.

"The Romanian woman," as she is known, was luckier; she was sent packing back to Bucharest.

Ngaragba inmates routinely had hands and feet chained to the floor. Those singled out for death were assigned to the so-called isolation cells from which, survivors recounted, no one expected to leave alive.

Under prison director Joseph Mokoa, prisoners were either starved to death, dispatched by strangulation with chains, or finished off with hammer blows.

His confessions about prison conditions — underlining Mr. Bokassa's alleged personal responsibility for ordering most of these acts — have been entered as evidence in the Bokassa trial. Mokoa was executed for his crimes in 1980.



Jean-Bédél Bokassa is escorted to court in Bangui.

That was one year after France's president, Valéry Giscard d'Estaing, under pressure from public opinion following the murder of 17 Bangui school children, sent troops to depose Mr. Bokassa, whom he had once called "France's best friend in Africa."

Except for a tirade against Mr. Giscard on the trial's first day in November, charging his erstwhile "dear cousin" with betrayal and "organizing a formidable campaign of calumny," Mr. Bokassa has refrained from mentioning details of their once close relationship.

But the trial, expected to last into March, may yet touch on the very secrets the French sought to bury when they rifted Mr. Bokassa's records, carting off tons of documents, during Operation Barracuda, as the coup d'état was codenamed.

How far Mr. Bokassa's successors may want to go in embarrassing France, which supplies two-thirds of the government budget in return for the right to maintain a 1,200-man garrison, also remains unclear. President André Kolingba, Judge André Frank and many of the witnesses and victims once served Mr. Bokassa.

Occasionally, Mr. Bokassa has insinuated that others still in high office are responsible for the "excess of zeal" he acknowledges his underlings wrought.

He concedes "moral responsibility" in ordering some arrests and often — in the name of "national security" — not bothering to bring formal charges, much less conduct trials. But Mr. Bokassa has disclaimed ever ordering a single death sentence.

Mr. Bokassa repeatedly has expressed ignorance, shock and dismay at the revelations, and told the court, "Thank God the regime has changed, for I could have suffered the same fate if I had been jailed."

But Antoine Goualo, a former communications minister, cast doubt on Mr. Bokassa's claims of ignorance.

He told the court that Mr. Bokassa and his ministers had visited Ngaragba at one point, seen General Lingoupou there and remarked, "If he ever gets free, he would constitute a danger for us all." That, said Mr. Goualo, was tantamount to a "death sentence."

Mr. Bokassa's return confronted President Kolingba with a dilemma: to execute him or to put him on trial. Since he seized power in 1981, Mr. Bokassa has carried out no executions.

The easiest solution apparently would be to convict Mr. Bokassa and then deport him. Already there is talk of a Moroccan exile.

But few shared Mr. Kolingba's initial optimism when he said, "Bokassa will have the right to a public trial, the problem will be settled and we can bury the past."

Iran Scored Heavily at Basra, Experts Say

By Loren Jenkins
Washington Post Service

TEHRAN — Military analysts here, noting signs that Iran's thrust toward Basra has stalled, said they consider the Iranian showing a success even though it has fallen short of the strategic Iraqi port so far.

The offensive will hinge on whether the Iranian forces can consolidate their three- to six-mile (five- to 10-kilometer) push through Iraq's outer defenses of Basra, an analyst said.

According to reports from the front, the Iranian forces, spearheaded by an estimated five divisions of Revolutionary Guards, have overrun at least two and possibly four of the defense lines before Basra's main defense barrier. The barrier is about nine miles east of the port.

The Iranians caught entrenched Iraqi forces by surprise on Jan. 9, flanking them by crossing a lake that the Iraqis believed impregnable, then pushed Iraqi defenders back, according to these observers. They cited this as evidence of Iran's superior tactical creativity.

"If, as it seems, the Iranians have got up to Basra's main defenses, that is very significant," a foreign military analyst said. "If they can hold onto the ground they have gained — and past history suggests they can — then they have achieved an unquestioned success even without breaking through to Basra."

In addition, the offensive put Iran's artillery and rocket launchers closer to Basra, Iraq's second largest city.

The advance also is seen as an important morale boost for Iran's one million troops because it indicated again that Iraqi superiority in artillery, tanks and aircraft is still not sufficient to deter the determined — often suicidal — infantry attacks of the numerically superior Iranian forces.

"I think this offensive has reinforced the view among Iranians that they finally have the Iraqis on the run," said a foreign diplomat. "They are now convinced that with maybe one more push, or two pushes perhaps, they will take Basra, or surround it and deliver a death blow to Iraqi President Saddam Hussein."

Basra is one of Iraq's main chemical and petrochemical industrial areas. Its outskirts straddle the strategic highway link to Kuwait, which has supported Iraq financially in the war and has allowed the Iraqis to use its port for arms shipments.

Since the latest offensive began, Iran's leaders have insisted that the capture of Basra was not their objective. Such statements do not appear to convince foreign analysts, who say that Iran's military strategy in the last three or four years has pointed to a drive on Basra.

Because Iraq's population of 15 million is only a third of Iran's, Iraq's military has stressed firepower rather than manpower. While that has been effective in a political sense in Iraq, it has proven disastrous militarily, according to military experts. The recapture of land from an entrenched enemy, the experts note, is considered impossible without committing infantry.

"You can't take ground without attacking on the ground, going over the top with cold steel, as was done in World War I," said a foreign military expert. "This Iraq has never done."

If Iraq continues to hold back its ground forces, the military analysts expect Iran to keep advancing toward Basra, using the tactics of attack and entrenchment that have brought it near to the city.

\$300-Billion Demand

In Ankara, Turkey, an Iranian official was quoted Monday by United Press international as saying that Iran will end the war if Iraq pays Tehran \$300 billion in reparations and the world condemns Iraq as the aggressor in the conflict.

Deputy Prime Minister Ali Reza Moayeri also said the new Iranian drive was a "final phase of the war."

Mr. Moayeri, who arrived in Ankara late Sunday, met with Prime Minister Turgut Ozal of Turkey

and delivered a message from the Iranian prime minister, Mir Hussein Mussavi. Turkey has resumed mediation efforts to end the conflict.

Iraq has called frequently for a negotiated peace, but Iran has demanded the ouster of Mr. Hussein before it stops fighting.

Both Sides Claim Gains

Iran said Monday it gained ground in its southern offensive while Iraq reported that the attackers were taking huge casualties. Reuters reported from Manama, Bahrain.

Tehran radio said the Iranians routed three Iraqi brigades and a commando battalion Sunday night in taking new positions along a canal about six miles east of Basra.

However, the commander of Iraq's 3d Army Corps, which is besieging Basra, said that Tehran's forces had failed to penetrate the Iraqi defenses despite daily attacks for more than a week.

Islamic States Raid in Angola Leaves Meet, With 61 SWAPO Rebels Dead

By Loren Jenkins
Washington Post Service

WINDHOEK, South-West Africa — South African-led security forces killed 61 guerrillas and several Angolan government troops Sunday in a raid deep inside southern Angola, an official statement said Monday.

The military headquarters in Windhoek said two of its men were killed during the battle near Mongwa, 45 miles (75 kilometers) from Angola's border with South-West Africa, or Namibia.

The statement did not say how many Angolans died in the fighting, which appeared to be one of the biggest recent clashes between South Africans and Angolans.

The 61 dead were reported to be members of the South-West Africa People's Organization, which has been fighting for Namibian independence for 20 years.

The statement said security forces following SWAPO guerrillas across the border were fired on by Angolan forces near Mongwa.

According to South African counts, the fighting brought to 161 the number of guerrillas killed this month.

Operations by the Namibian military, which is headed by South African officers, tend to increase in number at this time of year because of efforts to thwart rainy-season offensives by the guerrillas.

Other items on the agenda include the conflict between Libya and Chad, both members of the organization, as well as terrorism, the Palestinian problem and Afghanistan.

Security is tight at the \$400 million conference center, which is 50 miles (80 kilometers) from the war front.

was taken to the newspaper's office Friday by the police, the daily financial publication reported. He was arrested Dec. 29.

He said that while in detention he was questioned about articles he had written for Business Day, particularly one on the young black anti-apartheid militants known as the "comrades."

R.F. Botha Testifies

South Africa's foreign minister, R.F. Botha, defended on Monday his release of information that later proved to be wrong about the crash that killed President Samora Machel of Mozambique. United Press International reported from Johannesburg.

Breaking with a tradition that cabinet ministers do not testify in person, Mr. Botha told a six-member international inquiry board that it was not his fault that information given him by technicians from the scene of the crash in October proved to be false.

Last week witnesses refuted Mr. Botha's initial statement that crew members had alcohol in their blood and that the Soviet-built airplane's ground-proximity warning device failed to operate.

"I am not a technician," Mr. Botha told the inquiry board at the Johannesburg Supreme Court. "These were the facts given to me."

He said that in making the statements he had been trying to stem criticism of his government. "I knew that any delay in making known what we knew," he told the board, "would immediately cause accusations against us."

Witnesses told the board last week that the plane apparently was lost shortly before the crash and that the instrument landing system was out of order.

New Nightmare for Chinese in U.S.

Despite Their Fears, Students Protest Beijing Crackdown

By Nick Ravo
New York Times Service

PRINCETON, New Jersey — Yang Xiaokai's nightmares have returned. When the Chinese national awakens each morning, he often recalls a haunting dream of imprisonment.

"Fortunately, I'm not in a jail," he says. "I'm in the U.S. in an apartment. I feel lucky."

Similar nightmares plagued Mr. Yang, who is 36, 10 years ago after his persecution during the Cultural Revolution. Now the fears behind those dreams have been rekindled by his government's recent stifling of dissent and the dismissal of Hu Yaobang as secretary-general of the Chinese Communist Party.

Mr. Yang, a graduate student in economics at Princeton University and a former lecturer at Wuhan University, is one of 480 Chinese nationals studying in the United States who signed an open letter last week voicing concern over the Chinese government's actions.

It is believed to be the first time that a substantial number of the estimated 10,000 Chinese students in the United States have used their names in such a letter. Copies of the letter were delivered to Chinese officials and to two Chinese newspapers in New York.

Mr. Yang is one of several students who have granted interviews, marking one of the few times Chinese students have allowed themselves to be quoted by name in the Western press on the government's actions. It is an act that some students say is dangerous for them and their families in China.

"I put my name on the letter," Mr. Yang said, "because I want to capture an opportunity to find a constructive and independent relationship between the government and the intellectuals."

"Usually, the Chinese students in the U.S. must obey all orders from the government," he added. "That is the only alternative, or you become an enemy. But I want to find a third way, another relationship between intellectuals and the government."

Li Shaomin, 29, a graduate student in political science at the University of Chicago, also signed the letter. "I don't think there is danger now," he said, adding, "Later, I don't know."

He recently wrote an article for *The New York Times*, a socialist weekly newspaper in the United States, voicing concern about the government's actions.

"I am very much worried about what the government is doing," Mr. Li said. "The future of China, the socialist democracy, the modernization, all the hopes of the people will be gone."

"I think it is very bad, the events that have been going on after the reform that had been going on. But we are being critical of our government in a constructive way. What the government is doing now isn't rational."

Li Shaomin, 30, a graduate student in demography at Princeton, said the recent events were "reminiscent of the Cultural Revolution, the beginning of the Cultural Revolution," when the government began "criticizing a few intellectuals."

"I just cannot concentrate on studying because of this," he said. "I have been worried a lot, but those worries are not rational. When I reason why I should worry, I realize I have done nothing wrong."

Even so, Li Shaomin said that last week his wife, a student at the State University of New York at Albany, called him every day to be sure that he was still at Princeton. "She thought that I might be ordered back to China," he said.

Despite their concerns, students interviewed Saturday and Sunday said they planned to return home for their summer vacations. They

signed many of their colleagues who signed the letter felt the same way. "Certainly, it is our hope to go home," said Li Shaomin.

He added, however, that staying in the United States "is certainly an alternative" if the political situation in China worsens.

Li Shaomin also criticized the overseas edition of the *People's Daily*, the official newspaper of the Chinese government, saying it was his only source of news about China. "and that source is biased."

"That's why we are so angry," he added.

Despite their fears, the students seemed to be optimistic about China's future. They said that eventually their attitudes would be accepted by government officials.

They also dismissed the government crackdown on dissent as temporary, part of a political cycle.

The Princeton students said they did not fear losing financial aid because of the open letter or their statements. Like many Chinese nationals studying in the United States, they won fellowships; their tuition and expenses are not paid by the Chinese government.

"I think we regard this effort as a great success," Mr. Yang said of the open letter, adding: "We believe we are right and, eventually, if we are right we will get support from the people."

Chadian Forces Report a Clash With Libya Troops

With Libya Troops

By Loren Jenkins
Washington Post Service

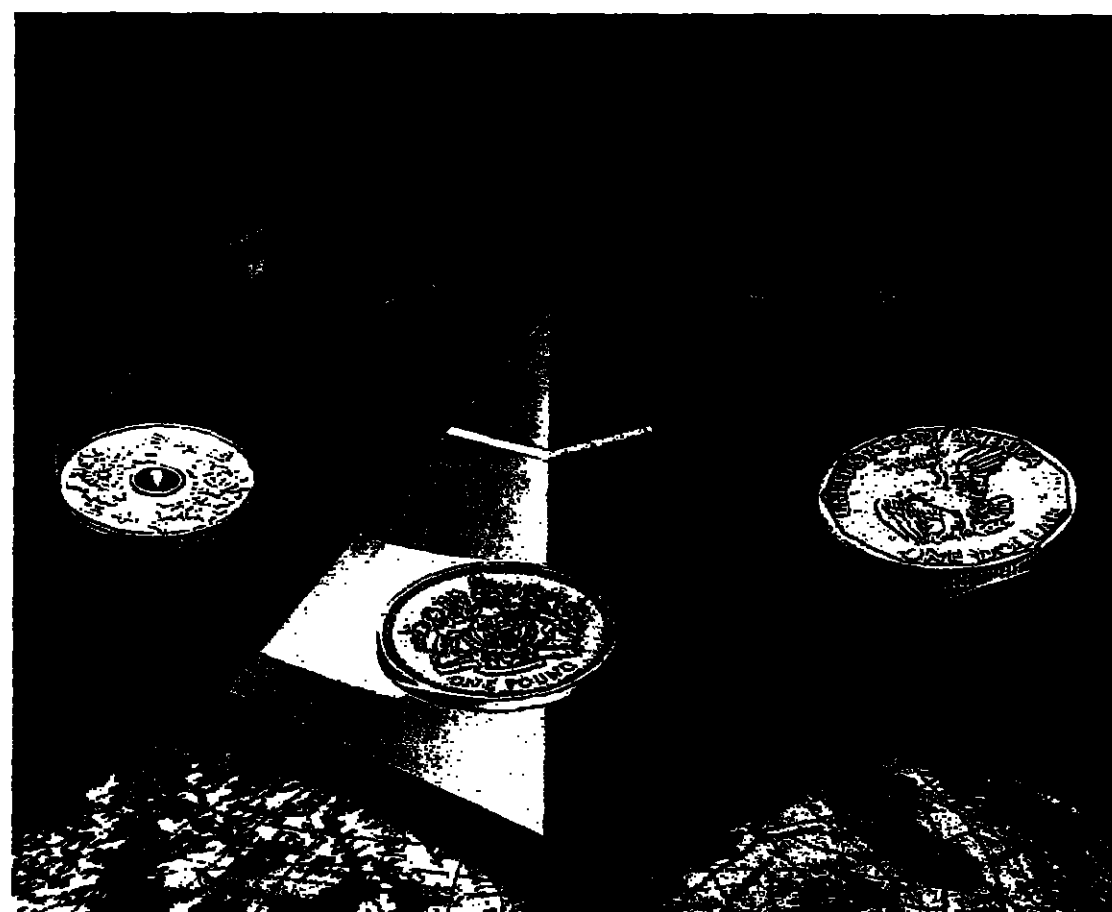
NDJAMENA, Chad — Chadian government forces have clashed with Libya troops around Zouar, a former Libyan outpost in northwestern Chad, according to Chad's state radio.

The radio quoted a statement from the military high command saying that an unspecified number of Libyans had been killed in skirmishes Saturday. The military said earlier that the fighting at Zouar began Thursday, when Chadian troops were reported to have killed 193 Libyans.

It said Friday that Libyan reinforcements sent to the area from the Libyan town of Sebha had been wiped out. Chad said its forces suffered no casualties in the fighting.

The government of President Hissène Habré said last week that its forces had retaken full control of Zouar and its surroundings.

CS-Investment Service plus Prime Rating for CS MONEY MARKET FUND US-DOLLAR



The CS Money Market Funds: Ideal at the present time for stand-by funds

CS MONEY MARKET FUNDS in the four most important international currencies.

Investment funds under Luxembourg law

Safe: Investments are exclusively in top-quality instruments.

Profitable: Investments generate an attractive return.

Liquid: Units can be sold back to the Fund at any time (with no penalty).

Flexible: Units may be exchanged for units of any other CS Money Market fund at any time (free of commission).

Right now the CS Money Market funds represent an ideal short-term vehicle for demanding private customers and institutional investors with funds awaiting investment at a later date in longer-term instruments.

Minimum investment (depending on fund) between US-\$ 5000.- and US-\$ 7000.-

CS MONEY MARKET FUND units may neither be bought nor held by investors who are domiciled in and/or citizens of the USA or its sovereign territories; nor is the transfer of units to those persons permitted. The same restriction applies in the case of the CS MONEY MARKET FUND YEN for investors domiciled in and/or citizens of Japan. The fund's representative bank in Switzerland is Credit Suisse.

Take advantage of this new investment opportunity. Ask your CS Investment Counselor for details or send in the coupon provided.



AAA for the largest Credit Suisse Money Market Fund

*CS MONEY MARKET FUND US-DOLLAR

Standard & Poor's Corporation, New York, has awarded its AAA rating (triple A rating for money market funds) to the CS MONEY MARKET FUND US-DOLLAR. This is the highest rating available and is confirmation from a competent rating agency of the excellent investment quality of the CS MONEY MARKET FUND US-DOLLAR.

Standard & Poor's triple A rating is obviously a first class reference for conservative investors. In future, Standard & Poor's will monitor all investments of the Fund, in the unit holders' interest. The rating awarded may be changed, suspended temporarily or withdrawn at any time. The permanent follow-up by the rating agency is a steady challenge for the management of the CS MONEY MARKET FUND US-DOLLAR to maintain its present high quality standards.

The total assets of the CS MONEY MARKET FUND US-DOLLAR have substantially increased to a volume in excess of US-Dollar 1,000 million, a few weeks ago.

Order Form

Please send me details of the CS MONEY MARKET FUNDS

US-DOLLAR STERLING YEN

Franc

Name: _____

Address: _____

Postal Code/Town: _____

Send to: CS, Investment Fund Dept., P.O. Box, 8021 Zurich, Switzerland.



CS MONEY MARKET FUND US-DOLLAR

ARTS / LEISURE

Lacroix Paces Paris Couture

He has the inventiveness, the impertinence, and the talent for pulling a rabbit out of a hat.

By Hebe Dorsey International Herald Tribune

PARIS — Christian Lacroix, of Paris, was the hero of the day at the start of the Paris spring-summer couture collections.

In many ways, Lacroix resembles Saint Laurent — in the days when Saint Laurent cared. He has the same inventiveness, the same impertinence, and the same talent for pulling a rabbit out of a hat — meaning that he can be wonderfully surprising.

Although many of his designs looked extreme, they were the kind that move fashion ahead; since last season, when he took Paris by storm, Lacroix has become the most influential designer in the world.

PARIS FASHION

was Croire, with striped turbans and dresses, draped gowns pushed up in a back bustle, and a tropical freshness springing from unimportant, summery fabrics such as piqués, cottons and organdies.

The opening featured white cotton dresses, flat in front and raised in back over several stiff petticoats. The movement in this collection was wonderfully amusing, with all skirts swinging and swaying over petticoats.

The early part of the show included suits with tiny, double-breasted jackets over petticoated skirts and trapeze-shaped, scooped-neck dresses. Lacroix continued his puffs and powder puffs, as well as his Empire silhouette, which looked best when it was deftly draped around the shoulders.

Saying that he wanted to convey a "romantic exoticism," Lacroix played up naive fabrics and fresh colors. The long evening gowns were totally summery and the mixture of embroidered boleros with white cotton skirts unexpected and unpretentious.

Accessories at Lacroix were, as usual, worth noting. Hats ranged from tiny gold clown's hats to huge black straw platters edged with lace. Shoes were either made of bonbon-colored lace or bright satin with ribbons crossed up over the leg.

The rest of Paris couture is deep into ruffles and crinolines. Even the sober Pierre Cardin had skirts with wired hems that swished like hula-hoops. Sometimes, the silhouette came in several layers, with each layer stiffly wired at the hem.

Otherwise, Cardin's collection was full of his old, familiar and graceful classics, with the emphasis on precise, sharply tailored suits worn with flying saucer hats. Skirts were short and well above the knee.

Pleats, including asymmetrical ones, were a favorite theme. So were polka dots and, at the end, ruffles upon ruffles. The most interesting dress was a simple black column, edged with strong ruffles at the hem.

Jean-Louis Scherrer opened with two white satin garments, the second being a long jacket over bermuda shorts. But from then on, he turned wildly romantic, with a combination of finely draped dresses and big ruffles.



Right, Lacroix's yellow ruffles; above, Scherrer's lace; left, Cardin's crinoline.



Photographs by Jean-Marc Laboureur

The beginning was neat, with polka-dotted Deauville pajamas and short jackets and peplum suits in predictable Prince of Wales checks. Playing up the seduction act, Scherrer produced tried-and-true navy-and-white combinations, scoring with a navy and white suit whose striped lapels matched the skirt.

This is a good season for lace: there is a lot of it in the Paris collections, but Scherrer went overboard. Besides lace collar and cuffs on tailored suits, he had lace gloves, lace flowers encrusted on a Spencer, a lace-bordered gray whipcord suit and layered lace skirts.

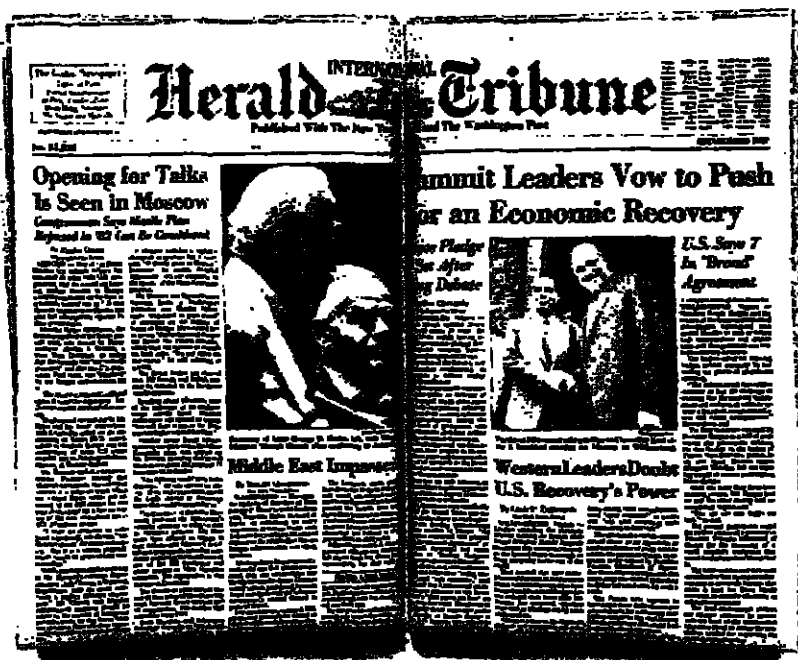
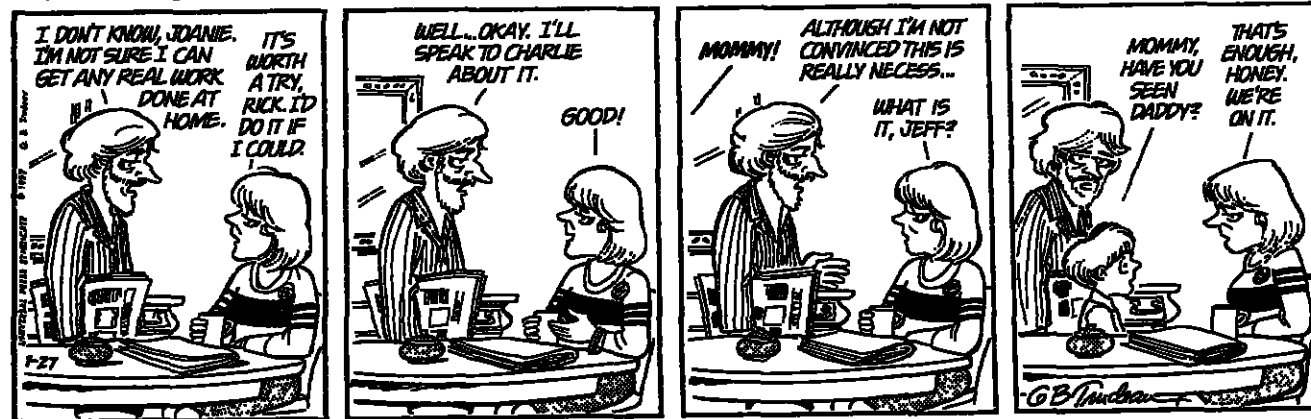
Hanae Mori, who opened on Sunday, was, as usual, even and ladylike. The butterfly motif — her symbol — was once more everywhere, including on an impressive array of brilliantly colored, all-over embroidered sequin dresses.

The other news in Paris over the weekend was the opening of a stunning Armani boutique on Place Vendôme. The discreet designer said in Rome last week that he would not come to town yet in order not to interfere with the couture season.

The most fascinating rumor about town comes from the house of Saint Laurent, where the couture collection has reportedly been made considerably smaller. It seems that Saint Laurent and his partner, Pierre Bergé, would like to eliminate couture altogether and upgrade the Saint Laurent-Rive Gauche ready-to-wear until it becomes almost couture.

The lower-priced Variations line, which has been turned over to the designer Dick Brandson, would then take the place of Saint Laurent-Rive Gauche.

DOONESBURY



2 for 1

Worldwide subscription rates offer discounts of up to 50% off the newsstand price depending on country of residence. Miami printing makes the global newspaper available day-of-publication in the Americas — just as in Europe and Asia.

Subscription form and rate table. The table lists rates for various countries including Europe, Asia, and the Americas. It includes fields for 'To: Subscription Manager', 'Please enter my subscription for', 'Card account number', 'Signature', and 'City/Country'.

To inaugurate its centennial year, the International Herald Tribune is proud to announce

THE PARIS LIBERTY FLAME APPEAL

The July rededication of the Statue of Liberty in the New York harbor has focused new attention on the fact that the Statue was a gift to the United States from the people of France and that a broad cross section of the French public participated in the giving.

It therefore seemed natural to Americans then living in Europe to express their gratitude, and, in 1985, a group of them gave as a gift to the French people the reduced size replica of the Statue of Liberty which today stands in Paris on the Ile des Cygnes.

In this, the Statue of Liberty's centennial year, it seems appropriate that members and friends of the Franco-American community should make a similar gesture of gratitude and goodwill through an exciting project which has a similar symbolic importance: the creation of a new Paris Flame of Liberty, a striking public monument to be erected on a prominent site in Paris and consisting of a full-sized duplicate of the flame which now glimmers atop the upraised arm of the New York Statue.

The International Herald Tribune, which entered its own one hundredth year in October of 1986, has decided to mark the conjunction of its centennial with that of the Statue of Liberty by sponsoring an international fundraising appeal to make this project possible.

In 1985, when restoration of the Statue of Liberty was started in New York, Les Métailliers Champenois, a group of outstanding French artisans, was asked to undertake the highly specialized work of



have enjoyed throughout the century with the people of France, we are proud to take the lead in this undertaking.

The France-America Liberty Fund welcomes contributions of any size and will acknowledge all gifts (unless otherwise instructed by the donors) by publishing periodic announcements listing the names of the contributors in the International Herald Tribune. If you contribute \$150 (1,000 FF), we will not only list your name as a Donor in the IHT (unless you prefer to remain anonymous) but you will also receive a desk-top replica of the Liberty Flame.

Contributions of \$1,500 (10,000 FF) from individuals and non-profit organizations will entitle you to have your name engraved on the permanent plaque which will be affixed to the Liberty Flame Monument. Corporate contributions of \$5,000 (33,000 FF) and more will also qualify for such listing.

But whatever the size of your contribution, the importance of this symbol will be enhanced by the broadest possible participation. We hope you will become a part of this important project by forwarding the form below.

To: Assn. France-America Liberty Fund, c/o International Herald Tribune, 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex.

Or: France-America Liberty Fund, Inc. c/o International Herald Tribune, 850 Third Avenue, New York, N.Y. 10022.

I enclose my check to the order of France-America Liberty Fund, Inc.

I have no objection to my name being published by the IHT in acknowledgement.

I prefer to remain anonymous.

Founded in Paris on October 4, 1887, the International Herald Tribune is the oldest American newspaper published abroad. Ever mindful of our own deep Paris roots and of the warm relations we

NYSE Most Actives table with columns for Vol, High, Low, Last, Chg.

Market Sales table with columns for NYSE, AMEX, NASDAQ, Total.

NYSE Index table with columns for Composite, Industrial, Transportation, Utilities, Finance.

Monday's NYSE Closing logo with text: Via The Associated Press

AMEX Diary table with columns for Class, Prev.

NASDAQ Index table with columns for Class, Prev.

AMEX Most Actives table with columns for Vol, High, Low, Last, Chg.

Dow Jones Bond Averages table with columns for Govt, Corp, Int.

NYSE Diary table with columns for Class, Prev.

Odd-Lot Trading in N.Y. table with columns for Buy, Sell.

Dow Jones Averages table with columns for Indus, Trans, Util, Fin, Comp.

Standard & Poor's Index table with columns for High, Low, Class, Crys.

NASDAQ Diary table with columns for Class, Prev.

AMEX Stock Index table with columns for High, Low, Class, Crys.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed in Active Trading

NEW YORK — The New York Stock Exchange, regaining its balance after last week's volatile close, ended mixed Monday in active trading as profit-taking in the broad market countered a slight gain in the Dow. The Dow Jones industrial average, which gained 24.89 points last week, rose 5.76 points Monday to 2,107.28.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

Why Shift Back and Forth Among Paper Investments, When You Can Secure Your Assets in Solid Gold? GOLD Money you can trust.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

NYSE Mixed in Active Trading continuation table with columns for High, Low, Last, Chg.

سكروان الاصل

FROM THERMAL POWER

TO POWER APPLIANCES TOSHIBA

TUESDAY, JANUARY 27, 1987

Page 9

INTERNATIONAL STOCK MARKETS

Hong Kong Still Sensitive To Shifts on the Mainland

By PATRICK L. SMITH
International Herald Tribune
HONG KONG — New York was not the only market where investors heard the wind whistle past their ears last week. For entirely different reasons, trading in Hong Kong was almost as volatile, although the local Hang Seng index ended Friday just about where it had started five sessions earlier.
Hu Yaobang's forced resignation as head of the Chinese Communist Party sent a major tremor through the Hong Kong market. The Hang Seng index dropped more than 80 points in the first full session that followed the announcement of Mr. Hu's departure, and 80 more before noon the next day. On paper, at least, that is a loss of about \$3.3 billion.
It was not until Hong Kong heard reassuring words from both Deng Xiaoping, China's paramount leader, and Xu Jiannu, the senior Chinese emissary in Hong Kong, that trading began to recover.
The local index ended Monday at 2,484.35 points, 15.08 lower than Friday's close. Despite the day's loss, analysts are braced for rises after the lunar new year celebrations, which will end next week. Most predict a Hang Seng of at least 3,000 by midyear.
But perceptions have been subtly altered. The local share market has proven far more vulnerable to political shifts on the Chinese mainland than many participants had thought.
Until last week, most analysts asserted without hesitation that investors had fully digested Hong Kong's return to China in 1997, when Britain's colonial leases expire. Now the same analysts anticipate a prolonged period of "unease," as one put it.
"This market has to mature," said a senior fund manager. "It has to decide whether it believes in the agreement between Britain and China and whether the open-door policy is here for keeps, or if it is the work of one man."
Many traders attribute the market's dramatic drop last week in part to nervous Japanese institutions, which have been investing heavily in Hong Kong since the Tokyo market dipped late last year. But selling, by all accounts, was across the board.

Now analysts anticipate a prolonged period of "unease."

Exxon Net Down in Quarter

But Year's Profit Was 10% Higher

United Press International
NEW YORK — Exxon Corp., the world's largest oil company, reported Monday that its fourth-quarter earnings dropped nearly 18 percent, but profit for the year was up 10 percent.
Analysts said Exxon's performance for the quarter and the year were slightly better than expected. Amoco Corp., the fifth-largest U.S. oil company, said its fourth-quarter earnings fell 58 percent. It blamed the slump in crude oil prices last year.
Atlantic Richfield Co., ranked sixth, said its fourth-quarter earnings declined 55 percent, and also blamed lower oil prices.
Amerasia Hess Corp., the 15th-largest U.S. oil company, recorded a fourth-quarter profit of \$38.34 million in contrast to a loss a year earlier.
New York-based Exxon, the world's second-largest industrial concern after General Motors Corp., said that profit in the fourth quarter was \$1.48 billion, or \$2.06 a share, down from \$1.8 billion, or \$2.43 a share, a year earlier.
It said the main reason was that petroleum product prices did not keep pace with the modest rebound in world oil prices.
Revenues slipped 23 percent to \$18.83 billion from \$24.33 billion. For 1986, Exxon's earnings increased to \$5.36 billion, or \$7.42 a share, from \$4.87 billion, or \$6.46 a share, in 1985. But revenues declined 18 percent to \$76.24 billion from \$92.86 billion the year before.
"World crude prices rose modestly in the fourth quarter, but the improvement did not counter the substantial deterioration in prices since the fourth quarter of last year," Exxon's chairman, Lawrence G. Rawl, said.
"Consequently, earnings from exploration and production operations continued at levels significantly below last year."
Oil prices plunged to a 12-year low of \$8 a barrel last July from \$28 in December 1985 before bouncing back to the \$15 range in September. Oil finished the year around \$17 a barrel after the Organization of Petroleum Exporting Countries' accord in December to cut production.
Sanford Margoshes, analyst at Shearson Lehman Brothers Inc., said that "crude oil prices tend to recover more rapidly than petroleum products."

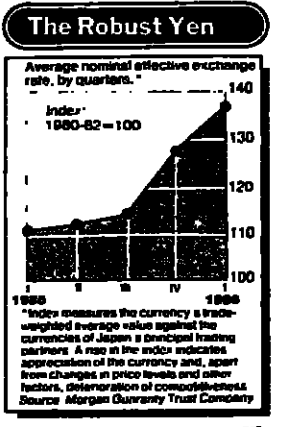


Money brokers stay busy in Tokyo as the falling dollar hovers around 150 yen.

Land of the Rising Yen Is Troubled

Japan Feels It Has Done Enough to Help America

By John Burgess
Washington Post Service
TOKYO — The yen's surge this month to still more record highs against the dollar has caused a new chill in business confidence in Japan and some veiled resentment against the United States.
U.S. officials, many Japanese feel, have either been talking the yen up or standing by idly while speculators have pushed it to levels that threaten more damage to the Japanese economy.
The current climb began in December, just as the Japanese were beginning to think the yen had finally stabilized. At around 160 to the dollar, it seemed to have ended a rapid rise that began in September 1985. People also thought the United States had agreed to help hold it there.
With the dollar heading toward 150, Japan's central bank bought billions of dollars this month in a solitary effort to control the rise. When it touched the high 140s briefly last week, Finance Minister Kiichi Miyazawa flew to Washington to seek help.
The Japanese feel they already have made large — and sufficient — sacrifices by helping bring the yen up from the 240 zone that prevailed 16 months ago. They now want to draw the line.
Talk in Washington that it must go even higher if the imbalance in Japan-U.S. trade is to be controlled is dismissed here as unfair and uninformed.
In volume terms, officials here say, Japan's overall trade surplus began to fall in 1986. They predict that in 1987, the dollar measure of the gap, the measure that Congress cares most about, will start to decline too.
Tokyo is worried now that the new Democratic-controlled Congress will prove impatient and pass the very sort of anti-Japanese trade legislation that the painful currency realignment was supposed to prevent.
"I am very much concerned about the difference between the political clock and the economic clock," said Michihiko Kunitihiko, chief of the Japanese cabinet committee on external affairs.
Earlier this month, the Japanese government made public three paradoxical sets of figures on 1986 foreign trade. Measured in yen, Japan's exports fell 16 percent; in dollars, they rose 19 percent. In volume — numbers of videocassette recorders, cars and machine tools shipped abroad — they registered a decline of slightly more than 1 percent.
The Japanese argue that the yen figure is what counts and shows how badly they are hurting.
"We live on the basis of yen," said Makoto Kuroda, vice minister of the Ministry of International Trade and Industry. "All business activity, all industrial life, runs on the yen."
In 1986, Japanese companies lost close to 7 trillion yen in export sales, or about \$45 billion at current exchange rates. That is twice the size of a special stimulus budget the government enacted in the fall, Mr. Kuroda pointed out.
Every day, newspapers carry articles about hard times in some corner of industrial Japan.
The big five steel producers have been hit especially hard, reporting losses on steel operations of about \$1.2 billion in the six months that ended Oct. 31. Some small export companies have gone into bankruptcy.
The automobile industry, the



NTT

EC Ministers Appeal to U.S. to Avert Trade War

BRUSSELS — European Community foreign ministers appealed publicly Monday to the United States to show further flexibility to avert the "grave" consequences of a full-fledged trade war.
The 12 ministers also authorized the European Commission, the community's executive body, to increase by 20 percent its offer of compensation to the United States for the loss of grain markets since Spain joined the trade bloc a year ago.
The Council of Ministers told commission negotiators that they could guarantee foreign exporters duty-free access to the EC for two million metric tons of corn, the import that was most affected by Spain's entry into the EC.
The community had originally offered to import 1.6 million tons of corn duty-free in a bid to resolve the dispute.
Washington has officially estimated the lost Spanish market at more than 4 million tons of corn and sorghum a year, of which 2.8 million tons would be of U.S. origin, and demanded \$400 million in compensation.
It has said it will impose prohibitive import duties of 200 percent on a range of EC imports on Friday if the community does not offer wider compensation.
Sir Geoffrey Howe, the British foreign secretary, said that the EC clearly preferred to "break out of a cycle of retaliation and counter-retaliation that can cast a shadow over wider relationships."
The statement appealing to Washington for more flexibility was issued after the ministers heard a report from the chief EC negotiator, External Relations Commissioner Willy de Clercq, that differences had narrowed in talks in Washington over the weekend.
But a solution acceptable to both sides has not been found, the EC Council of Ministers said.
"The council confirms its hope that such a solution would be reached," the statement said, "and calls on the United States to contribute in such a way as to avert the grave and prejudicial consequences of a trade war."
The appeal was intended to emphasize the EC's support for Mr. de Clercq in his efforts to obtain further concessions in talks Tuesday and Wednesday with the chief U.S. negotiator, Trade Representative Clayton K. Yentzer.
Mr. de Clercq and Mr. Yentzer are expected to resume their negotiations through a video link in the hope of reaching agreement by Friday, the ministers said.
Sir Geoffrey declared that "thanks to the tenacity and skill of community negotiators, there were now hopes of a deal by the end of the month." But commission officials were slightly more cautious.
Although Mr. de Clercq has a clear notion of what EC member states are prepared to accept, they said, only the negotiations will show whether that compensation is acceptable to the United States.
They said that Mr. de Clercq also was authorized to offer Washington compensation in the form of tariff reductions on other U.S. exports, including industrial goods and processed foods.
President Ronald Reagan has already signed an order that will automatically introduce the 200 percent tariffs on several EC products at the end of the month, including French brandy, British gin and some white wines from France and Italy.
The EC is prepared to retaliate with heavy duties on its imports of corn gluten feed.

Unemployment In France Hit Record in '86

PARIS — Unemployment hit record levels at the end of 1986, government figures showed Monday.
The Labor Ministry and the National Statistics Institute said that 2.57 million people were out of work at the end of December, 5.5 percent more than at the end of 1985. Before allowing for seasonal factors, the number was 2.69 million.
The seasonally adjusted unemployment rate rose to 10.7 percent of the work force at the end of December from 10.6 percent a month earlier and 10.2 percent at the end of 1985.
Labor Minister Philippe Seguin said last September that unemployment could be headed for three million. A downward revision of expectations for economic growth and public-sector strikes have tarnished the prospects for an early turnaround, government officials said.

WHAT HAS KEPT both local and overseas investors from straying too far from Hong Kong's orbit, analysts assert, is a simple "flow-of-funds" phenomenon. With medium-term economic uncertainty surrounding such markets as New York and Tokyo, this market remains among the most attractive relative to the alternatives open to equity investors.
"Interest rates being what they are, what one has to watch is where money is going and the local economy supporting a market," said Casper Li, the research director at Vickers de Costa & Co. "Hong Kong, Singapore and some other Pacific markets are simply going to outperform most others this year."
Like most markets, Hong Kong is currently trading well within the range of its historic price/earnings ratio. But Hong Kong's P/E 15, is much lower than those of many other exchanges. And economic growth, forecast at 6 percent to 7 percent this year, is likely to be well above that of most other trading centers.
Nonetheless, the renewal of political uncertainty in China is fostering a more defensive strategy among many traders. It also is reinforcing a tendency among overseas institutions, in particular, to stay close to blue-chip stocks — properties, utilities, the "Hongs" — and solid bargains among second-line shares.
Of the Hongs, or old-line British trading houses, analysts favor Hutchison because of its property assets and its diversified mix of business, as well as Hong Kong Electric, a Hutchison associate. The imminent de-merger of Jardine Matheson and Hongkong Land is also attracting attention.

Currency Rates

Table with columns for Currency, Bid, Ask, and other market data. Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and various gold and silver prices.

Table titled 'Other Dollar Values' showing exchange rates for various currencies like Australian, Canadian, Hong Kong, etc.

Interest Rates

Table titled 'Eurocurrency Deposits' showing interest rates for different terms and currencies like Dollar, Swiss, Sterling, etc.

Table titled 'Asian Dollar Deposits' showing interest rates for various Asian currencies.

Table titled 'U.S. Money Market Funds' showing yields for various fund categories.

Table titled 'Gold' showing prices for various gold-related assets.

Dollar's Fall May Offset Rise in Gulf Oil Income

By Stephen Jukes
MANAMA, Bahrain — Hopes that a price accord by the Organization of Petroleum Exporting Countries would ease the fiscal problems of member nations may be thwarted by the dollar's decline, economists said Monday.
The economists pointed out that the dollar's latest plunge would further increase the cost of non-dollar imports to the region, offsetting efforts to reduce huge current-account deficits.
Saudi Arabia's deficit grew by an estimated 70 percent last year to about \$22 billion, one of the world's largest. Other Gulf countries saw their surpluses shrink or turn into deficits as oil prices fell sharply and other crucial sources of revenue declined amid a regional recession.
Hopes had been running high that OPEC's decision in December to limit output and raise prices would bolster members' economies and reverse the deficit trend. The accord already has raised oil prices by about \$3 a barrel.
But rising oil revenues coincided with the dollar's fall against the West German and Japanese currencies.
"Gulf nations will see their current-account deficits widen this year," warned Richard Stately, chief economist at Burgan Bank. "They will have to cut imports or cut prices rise significantly further."
Current account measures a country's trade in goods and services as well as interest, dividends and certain transfers.
Economists calculate that the joint current-account deficit of the six members of the Gulf Cooperation Council was about \$21.5 billion last year after a shortfall of just \$330 million in 1985.
Saudi Arabia's huge current-account deficit was offset by the small combined surplus of the other five countries, although all of the nations' payments positions deteriorated sharply.
Kuwait's surplus slipped to about \$1.25 billion from \$5.6 billion in 1985, while Oman recorded a current-account deficit of about \$1.6 billion after a 1985 surplus of \$223 million, according to Burgan Bank's projections.
Oil revenue in the six countries declined by about 40 percent in 1986 to less than \$40 billion, compared with a 1981 peak of \$156 billion.
Based on current oil prices of about \$18 per barrel and the dollar's exchange rate against the Deutsche mark and the yen, Mr. Stately said, the deficit could widen by \$2.25 billion this year to nearly \$24 billion.
The currencies of four of the countries, Saudi Arabia, Qatar, the United Arab Emirates and Bahrain, are officially linked to the

International Monetary Fund's Special Drawing Right but in practice to the dollar. The currency of a fifth member, Oman, is formally linked to the dollar's value.
For these nations, the prices of dollar-denominated imports have been unaffected by the plunge of the U.S. currency. But imports priced in marks and yen have soared in cost.
The sixth member of the Gulf Cooperation Council, Kuwait, links its dinar to a basket of currencies, although economists estimate that the dollar has a weighting of 75 to 80 percent.
Mr. Stately estimated that about 7.5 percent of the council countries' imports came from West Germany and 18.5 percent from Japan.
With deflationary pressures already at work in most of the Gulf Cooperation Council states, economists are skeptical about the ability or will of economic planners to reduce imports further.
Plans to increase revenues center on services and tourism, but the impact of such efforts is expected to be small in comparison with the effect of the lower dollar.
For private citizens, the significance of the dollar's slide has been underlined by steep increases in the cost of Japanese cars. The prices of luxury West German vehicles have risen nearly as sharply.
In Saudi Arabia, the declining value of the dollar will bring a sharp rise in the cost of imported machinery and military hardware, economists say. The kingdom's military expenditures are estimated at \$6.8 billion (a \$16.2 billion) for this year, 35.8 percent of its budget.

Advertisement for ALG private air service in Europe, featuring a jet airplane and contact information for Geneva.

Large advertisement for Audemars Piguet Royal Oak watches, featuring a close-up of a watch face and the brand's logo.

Advertisement for Eloff Hansson, an international trading house active in pulp, paper, machinery, chemicals, timber, building material, textiles, foodstuffs, steel, and consumer goods.

Markets Closed
Markets in Australia and India were closed Monday for holidays.

BUSINESS ROUNDUP

IBM Plans a 6-Processor Computer

The Associated Press
NEW YORK — International Business Machines Corp. announced Monday plans for its most powerful computer and revamped the rest of its 3090 series of big mainframe machines.
 Some analysts said the new computers would force price cuts by IBM's competitors, possibly including Digital Equipment Corp., the successful maker of midsize computers that announced last week that it was invading IBM's profitable mainframe field.
 "IBM effectively neutralized the aggressive moves made by DEC," said Robert Fertig, president of Enterprise Information Systems. "I think DEC must cut prices now on a product they haven't even delivered."
 The biggest computer unveiled Monday, the 3090 Model 600E, has six processors — the part that carries out calculations — and up to 60 percent more power than the previous top of IBM's line, the company said.
 Analysts estimated it could execute 75 million to 80 million instructions a second, making it the most powerful computer available commercially.
 The first customers are likely to be airlines, banks and other companies that handle many transactions and need more power, analysts said.

"IBM is in perhaps as good a position as any to satisfy that demand, given only that the economy picks up so the users can afford to buy the extra power," said Donald Haback, an analyst for Nikko Securities Co. International.
 IBM's mainframe business has been hurt by sluggish capital spending among its customers. Last week the company reported a 48.2 percent decline in its profit in the last three months of 1986.
 In addition to the 3090 Model 600E, the company announced the Model 300, a somewhat smaller mainframe containing three processors, and improved versions of the four current members of its 3090 mainframe family.
 IBM said the new computers would improve by 25 to 36 percent the amount of computing power at any given price.
 The upgrades will be completed starting in May and the new models, the 300E and 600E, will be available starting in the July-September period, IBM said.
 IBM is the world's largest computer company and has about 70 percent of the worldwide market for the big computers known as mainframes.
 Last week Digital announced two clusters of its VAX computers that it said were as powerful as IBM's 3090 Models 200 and 400, which used to be the most powerful IBM mainframes.
 But Mr. Fertig said the IBM computers could handle bigger jobs than the Digital computers because their processors work together more closely.
 The 3090 models use a memory chip that can store one million bits of information, but runs twice as fast and takes up a third less space than IBM's original one-million-bit chip, the company said.
 The introductions give IBM six computers in its 3090 series of mainframes: the 150E, the 180E, the 200E, the 300E, the 400E and the 600E. Prices for the computers, not including software or extra equipment, range from \$1.65 million to \$11.5 million.

Share Trading Suspended in Cathay, Swire

Agence France-Press
HONG KONG — Trading was suspended Monday in the shares of Hong Kong's Cathay Pacific Airways and its parent, Swire Pacific Ltd., at the request of both companies, amid rumors that a Beijing investment company would buy a minority stake in Cathay, stockbrokers said.
 According to the rumors, dealers said, China International Trust & Investment Corp. will purchase a 5 percent stake in the airline for an estimated 800 million Hong Kong dollars (\$103.15 million) from Swire Pacific, which owns about 53 percent of Cathay Pacific.
 Dealers said CITIC was expected to offer Swire Pacific around 6 dollars for each Cathay share, compared with Friday's closing of 5.60 dollars.
 A Swire spokesman would not comment on the rumors but said the trading suspension was necessary as Swire and Cathay were considering a corporate proposal that might affect the companies' share prices.
 Swire Pacific closed Friday at 19.20 dollars.

AMC Workers Will Extend Talks on Modernizing Plant

Reuters
DETROIT — American Motors Corp. said Monday that its union workers had agreed to continue talks on a new labor contract past the deadline.
 AMC, which has had only one profitable year this decade, has been at odds with local unions of the United Automobile Workers over a contract that the company seeks to reduce costs at its car assembly complex in Kenosha, Wisconsin.
 The company calls the contract crucial to a \$250 million plan to keep its only U.S. car plant operating.
 AMC says the plant modernization is needed before it can begin to build a new line of Jeep vehicles at the Kenosha plant. It is the oldest operating auto complex in the United States.
 AMC is also negotiating with Chrysler Corp. to build a line of Chrysler's small cars at the plant in a five-year contract assembly arrangement.
 Referring to the Chrysler project, a spokesman for AMC said, "We obviously can't commit until we know what our labor costs are going to be five years in the future."
 He said AMC officials would seek more time from Chrysler if

labor talks seem likely to go beyond the Jan. 30 deadline that Chrysler specified for concluding an agreement.
Base Price for Medallion
 AMC has set the base price for its 1988 Renault Medallion, the car on which it has pinned its comeback hopes, at \$9,965 for the four-door sedan. The Associated Press reported Monday from Detroit.
 Base prices for the four-door wagon will be \$10,693 and for the LX version of the sedan, \$10,497.
 The Medallion is built in France and will go on the U.S. market March 1. Renault controls 46.4 percent of AMC stock.

Ford Offers Incentives On Some Cars, Trucks

Reuters
DEARBORN, Michigan — Ford Motor Co. said Monday it was offering new car-rate loans on selected cars and compact trucks ranging from 3.9 percent to 9.9 percent as well as \$600 in cash allowances to customers.
 Ford's program, which will last until March 31 for cars, follows incentives announced by General Motors Corp. and Chrysler Corp.

After Mergers, 9 Airlines Control 94% of U.S. Market

Washington Post Service
WASHINGTON — A number of mergers and acquisitions in the U.S. airline industry is nearly complete and nine major carriers have emerged with more than nine-tenths of the market, according to a report by a firm that analyzes the airline industry.
 "Consolidation is now history," Lee R. Howard, executive vice president of Airline Economics Inc., said.
 The nine major carriers, and their newly acquired affiliates, control 94 percent of the market, George W. James, the firm's president, said.
 The nine carriers are: Texas Air Corp., American Airlines, United Air Lines, Delta Air Lines, Northwest Airlines, Pan American World Airways, Trans World Airlines, USAir and Piedmont Airlines.
 "Looking for who's going to be whose dancing partner is not going to be nearly as interesting in the future," Mr. James said, releasing his company's annual forecast.
 In the past 15 months, there have been 25 mergers, all involving the nine major carriers, he said. While more mergers and acquisitions will occur, such activity will not be as dramatic as in 1986, he said.
 In the long run, Mr. James said, the industry will be dominated by six to eight carriers with little opportunity for others to get a footing. Fares probably will rise, but not as fast as the cost of living, he said, because six to eight carriers is enough to ensure competition and it is in the airlines' interest to keep fares low enough to avoid becoming a target for regulation again.
 Mr. James said last year's combined operating profits are expected to be \$1.4 billion, the same as in 1985.
 This year, operating profits are expected to increase to about \$1.6 billion to \$1.8 billion. Airline employment reached a record level of 380,000 in 1986.
 "This year, the industry is going to have a really good first quarter, but the last nine months will not be all that great," Mr. James said.
 Rising fuel costs will contribute to relatively lower profits, but the industry will benefit from lower labor costs, he said.

Manufacturers to Sell Unit to Security Pacific

Reuters
NEW YORK — Manufacturers Hanover Corp. said Monday that it had agreed to sell for undisclosed terms the consumer-finance assets and offices of its British leasing subsidiary, Manufacturers Hanover Finance Ltd., to Security Pacific Corp. of California.
 It said the transaction was expected to be completed on Feb. 19. The assets involved total about \$70 million (\$106.68 million).

Tool Orders Fell 16% in U.S. in '86

By Calvin Sims
New York Times Service
NEW YORK — New orders for U.S.-made machine tools rose 2.6 percent in December from November, but orders for all of 1986 fell 16 percent from the previous year, a trade group reported Monday.
 The National Machine Tool Builders' Association and industry analysts attributed the overall decline to a sluggish economy and to anticipation of the new tax law. They particularly cited provisions eliminating the investment tax credit and lengthening depreciation schedules.
 "By taking away tax credits and extending the life of the equipment," said Charles Pollock, a spokesman for the association, "the government has effectively discouraged companies from making capital investments."
 Machine tools are power-driven devices used to shape metal parts, from tractor gears to vacuum cleaner motors. Their sales are a major indicator of capital spending by producers of metal products, mainly the automobile, aerospace, and manufacturing industries.
 The association said that new orders for machine tools edged to \$136.1 million in December, from \$132.6 million in November. Analysts said that such a gain generally occurs at the end of each quarter as customers anticipate production needs for the coming period.
 Orders bobbed up and down in 1986, totaling \$2.13 billion compared to \$2.53 billion in 1985.
 Andrew Silver, a machinery analyst with Donaldson, Lufkin & Jenrette, said that there was excess capacity in many industries. Regular machine-tool customers such as automakers were simply not in need of new equipment, he said.

COMPANY NOTES

Arabian Investment Banking Corp.'s net income in 1986 rose 25 percent to \$15.2 million, the highest in the Bahrain-based bank's four-year history. The bank, which is known as Investcorp and specializes in investment, has recommended an unchanged payment to shareholders of \$7.5 million in dividends.
ARC America Corp., part of the Consolidated Gold Fields PLC group, has signed a definitive contract to acquire American Aggregates Corp., a sand and gravel company of Greenville, Ohio, for \$30.625 a share cash, or about \$242 million.
Berkita Industries Inc. said it formed Global Motors Inc., which will become the parent company of Yugo America Inc., which imports the \$3,990 Yugo GV from Yugoslavia, and of Proton America Inc., which will import a new car from Malaysia called the Proton Saga.
Clabir Corp. will acquire all of the Ambrint common and preferred stock it does not already own. Clabir, a holding company based in Greenwich, Connecticut, with interests in defense contracting, now owns about 84 percent of the voting power of Ambrint. Ambrint, of Clearwater, Florida, makes ice cream bars and through a subsidiary develops oil and gas properties.
Ericsson Radio Systems, a unit of Sweden's L.M. Ericsson, and Siemens AG of West Germany will jointly develop a digital mobile telephone system. Terms were not disclosed.
The Federal National Mortgage Association plans a common stock offering of about 8 million shares to be sold in the United States and internationally. The

FDA Tests Recommend Approval of Upjohn Baldness Drug

By Irwin Arief
Reuters
WASHINGTON — U.S. Food and Drug Administration staff documents advise that Upjohn Co.'s controversial Rogaine baldness drug is approved for marketing although its effect is limited and it poses risks to people with heart disease.
 FDA staff reviews of the drug, also known as Minoxidil, have concluded that it is sufficiently safe and effective to meet U.S. standards for approval, according to the staff documents and interviews with a former agency official.
 Rogaine was to have been reviewed by the agency's dermatologic drugs advisory committee on Monday but a heavy snowfall canceled the meeting. It has not yet been rescheduled.
 Approval by the committee would be given great weight by the FDA in deciding whether to give the drug final marketing approval.
 When taken orally, the drug has been ap-

U.S. Opposes Baker-Hughes Tool Merger

The Associated Press
WASHINGTON — The Department of Justice has said it will sue to block the merger of two of the world's largest producers of oil-well drilling equipment, Hughes Tool Co. of Houston and Baker International Corp. of California.
 The proposed merger would violate the Clayton antitrust act by lessening competition in two major markets of the drilling industry, Charles F. Rule, acting assistant attorney general in charge of the Justice Department's antitrust division, said Sunday.
 The companies, with combined total sales of \$3.2 billion in 1985, are two of four major producers of tricone rock bits and electric submersible pumps used in oil wells, officials said.
 "If this merger is allowed to proceed there will be only three significant competitors in each market," Mr. Rule said.
 The merger would force up prices within the oil industry, he said.
 Tricone rock bits, with steel teeth or tungsten carbide inserts, are

used to drill for oil. Electric submersible pumps are placed at the bottom of an oil well and lift oil to the surface.
 A Baker executive said he hoped that negotiations with the department could head off the suit and allow the merger to proceed.
 The Justice Department has indicated that it would drop its opposition to the merger if Baker were to sell off the rock bit and pump operations, said Max Luken, vice president and chief financial officer of the Orange, California, company.
 The two struggling oil-field services companies announced on Oct. 22 that they planned to merge in a stock-swap agreement valued at \$456.5 million.
 The agreement, approved by both companies' directors, would create a new company named Baker-Hughes Inc. to be headquartered in Houston.
 To lock up the agreement, each company granted the other the right to buy 18.5 percent of the other's stock, and Borg-Warner Corp., which owns 18.6 percent of

proved as treatment for high blood pressure. Upjohn is now seeking FDA approval of it as a male baldness cure when put directly on the skin in liquid form.
 FDA reviews of clinical tests indicate that the drug was effective to a limited extent in spurring hair growth on bald heads. The documents concluded that it sometimes took months before hair growth was seen and that new hairs fell out in the months after a person stopped applying the drug.
 Rogaine, if approved, will be expensive. In Canada, where it is on the market, a month's dose is selling at retail for \$45 to \$50, according to an Upjohn spokesman.
 The drug also has a side effect on some people, according to the former FDA official. "There have been a number of cases of patients who had exaggerated erections as a result of the drug," said Stewart Ehrlich.
 A former deputy director of the FDA's cardio-renal division, he conducted the staff's preliminary review of Rogaine before leaving the agency three months ago. He is now a consultant with Biometric Research Institute in Arlington, Virginia.
 Mr. Ehrlich said that exaggerated erection was a common effect among drugs in Rogaine's class, which are called vaso-dilators because they open the body's blood vessels.
 Among other possible adverse reactions, he said, were dizziness, fainting, low blood pressure and chest pain.
 He recommended that doctors be warned that the drug should not be prescribed for people with heart disease, irregular heartbeat or heart-vein problems.
 Upjohn stock rose sharply on news of the favorable review, climbing \$5 to close at 115.5 on Monday.

FOREIGN & COLONIAL RESERVE ASSET FUND	
PRICES AT 2:11 P.M.	
A: U.S. DOLLAR "CASH"	\$10.22
B: MULTICURRENCY "CASH"	\$13.51
C: DOLLAR BONDS	\$13.02
D: MULTICURRENCY BONDS	\$14.67
E: STERLING BONDS	\$11.17
F: DEUTSCHMARK BONDS	DM10.56
G: YEN BONDS	¥1019.00
H: ECU BONDS	ECU10.8
I: STERLING EQUITY	\$10.47
M: U.S. EQUITIES	\$12.27
N: JAPANESE EQUITIES	¥1022.00
O: GLOBAL EQUITIES	\$10.54
X: STERLING "CASH"	\$10.20
Z: GOLD	\$10.11

FOREIGN & COLONIAL MANAGEMENT (JERSEY) LIMITED
 14 MILLCROFT STREET, ST. HELENS, LANCASHIRE, ENGLAND
 TEL: 0534/0701
 FOR OTHER F & C FUNDS, SEE INTERNATIONAL FUNDS LIST

Chemical Bank Home Loans
Special Terms for UK Mortgages
 * 100% mortgages for expatriates
 * highly competitive rates
 Phone Barrie Lewis-Ranwell on 01-380 5186

OIL: Exxon, Amoco, Arco Had Lower Net in Quarter

(Continued from first finance page)
 leum product prices, putting a squeeze on refining and marketing margins.
 But, he said: "Exxon once again has demonstrated it is a superior company and an outstanding performer among the major oils."
 Exxon's fourth-quarter results included a one-time gain of \$495 million from corporate restructuring and the sale of its Manhattan office building and Reliance Electric subsidiary.
 The quarterly earnings were reduced by \$210 million by the new tax laws governing major U.S. pension funds and the retroactive repeal of investment tax credits.
 Exxon, which slashed its capital exploration and spending budget

to \$7.21 billion in 1986 because of the oil price collapse, said it plans to spend only \$6.5 billion in 1987.
 In Chicago, Amoco said that its fourth-quarter earnings skidded to \$165 million, or 65 cents a share, from \$390 million, or \$1.51 a share, a year earlier. Revenues were down 35 percent to \$4.8 billion from \$7.4 billion.
 In 1986 Amoco earned \$747 million, or \$2.91 a share, down 62 percent from \$1.95 billion, or \$7.42 a share, in 1985. Revenues declined 30 percent to \$20.2 billion from \$28.9 billion.
 Los Angeles-based Atlantic Richfield said its fourth-quarter earnings dropped to \$64 million, or 35 cents a share, from \$142 million, or 73 cents a share, a year earlier.

Revenues slipped 33 percent from \$5.5 billion to \$3.7 billion.
 In 1986, Arco had net earnings of \$615 million, or \$3.38 a share, in contrast to a loss of \$202 million in the 1985.
 Revenues in 1986 decreased 33 percent to \$15.1 billion from \$22.5 billion in 1985.
 Amerada Hess reported a fourth-quarter profit of \$58.34 million, or 69 cents a share, in contrast to a loss of \$365.82 million a year earlier. Revenues fell 53 percent to \$923.47 million from \$1.98 billion.
 For the year, New York-based Amerada had a loss of \$219.44 million, compared with a loss of \$260.4 million in 1985. Revenues dropped 47 percent to \$4.06 billion from \$7.72 billion in 1985.

Her power stirred up in me a passion for the open road.

A new way of life on the road. This is what the Renault 25 V6 Turbo brings you, thanks to clever use of space and interior design. The A.B.S. anti-lock braking system is standard on the Renault 25 V6 Turbo. It regulates five brake pressures electronically on each of the wheels, in terms of tyre road adhesion. The new engine of the Renault 25 V6 Turbo impressively illustrates the advance that Renault has achieved in Turbo technology. For performance, reliability, safety and comfort, the Renault 25 V6 Turbo today sets the standard against which other top-of-the-range European cars are judged.

Renault 25 V6 Turbo Injection
She's a species apart.

Maximum speed 225kph. A.B.S. (Anti-lock braking system) Power 182bhp. Acceleration 0-100kph: 7.7. Torque 28.6mkg at 3000rpm.

Experts
 ngola Leads
 O Rebels De
 H. J. Rodia Post
 Chinese in US
 Beijing Crackdown
 Chemical Firms
 Report a Clash
 With Libya

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

Table with columns: 12 Month High/Low, Div. Yld. PE, and Stock symbols. Includes various company names like AMEX, AMER, AMERX, etc.

Table with columns: 12 Month High/Low, Div. Yld. PE, and Stock symbols. Includes various company names like AMEX, AMER, AMERX, etc.

Table with columns: 12 Month High/Low, Div. Yld. PE, and Stock symbols. Includes various company names like AMEX, AMER, AMERX, etc.

Table with columns: 12 Month High/Low, Div. Yld. PE, and Stock symbols. Includes various company names like AMEX, AMER, AMERX, etc.

Table with columns: 12 Month High/Low, Div. Yld. PE, and Stock symbols. Includes various company names like AMEX, AMER, AMERX, etc.

Table with columns: 12 Month High/Low, Div. Yld. PE, and Stock symbols. Includes various company names like AMEX, AMER, AMERX, etc.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 26 Jan. 1987. Table listing various international funds and their performance metrics.

Table listing various international funds and their performance metrics.

Floating-Rate Notes. Table listing floating rate notes with columns for Issuer, Maturity, and Bid/Ask prices.

Sugar Price Up Sharply On Purchases by Soviet. LONDON — The price of sugar rose to its highest level in eight months on London's commodity exchange Monday after reports that the Soviet Union has been buying heavily.

Table listing exchange rates for Pounds Sterling, Deutsche Marks, and Japanese Yen.

AMEX Highs-Lows. Table showing high and low prices for various stocks on the AMEX.

Table listing exchange rates for Pounds Sterling, Deutsche Marks, and Japanese Yen.

Vertical advertisements on the right margin including 'AGENCY MAIL', 'EUROMARK', 'AMERICA'S OTC', and 'SCIENCE IN THE LIGHT EVERY THURSDAY'.

CURRENCY MARKETS

Dollar Steadies, Closes Mostly Higher

NEW YORK — The dollar steadied, closing mostly higher on Monday as wariness over possible central bank intervention on its behalf tempered underlying bearish sentiment, dealers said.

London Dollar Rates

Table with columns: Currency, Rate, % Change. Includes Deutsche mark, Swiss franc, French franc, etc.

was broken when the West German bank, the Bundesbank, bought a modest \$2.9 million Monday.

Japan Denies G-5 Meeting Is Scheduled

TOKYO — Japan hopes that the finance ministers of the Group of Five—the United States, Japan, West Germany, France and Britain—would meet soon. But they said no date or venue had been set.

Compiled by Our Staff From Dispatches TOKYO — Japan hopes that the Group of Five finance ministers will meet soon to discuss currency stability but no meeting has been scheduled, government officials said Monday.

They discounted weekend reports by The New York Times and NHK, the Japanese television station, that the Group of Five would meet in Paris, probably Feb. 7, to seek to stabilize currencies.

U.S. Firms Find Currency Markets a Bonanza

By Kenneth N. Gilpin New York Times Service NEW YORK — The dollar's sharp decline has come as a pleasant surprise to corporate treasurers, who are accustomed to using foreign-exchange markets to finance international transactions and hedge against volatile movements in currency values.

activity, and is forbidden in corporate bylaws. But attitudes are changing. "We are not a profit-making operation," said Charles E. Golden, an assistant treasurer in the foreign-exchange area at General Motors Corp.

Companies that have become more aggressive in the foreign-exchange markets have done so partly because knowledge about how the markets work and how they can be used has increased sharply in the past few years.

THE EUROMARKETS

Dollar Bonds Lower on Currency Worries

LONDON — Prices in the U.S. dollar sector ended mostly lower Monday as investors grew increasingly gun shy about prospects for a rebound in the currency.

It was lead managed by Yasuda Trust. Dealers said the issue was trading late in the day at a discount of 7/8, well inside its total fees of 1 1/2 percent.

ended slightly weaker, following the trend in the West German bond markets after inconclusive election results there.

Quoting unidentified European and Japanese officials, The Times said that on Feb. 7, Mr. Baker was scheduled to be on his way back to Washington from a visit to Saudi Arabia for discussions that the Treasury calls routine.

JAPAN: Land of the Rising Yen Is Troubled and Wants to Draw the Line

(Continued from first finance page) market's delayed reaction to the new pricing order. Japanese companies value stability above all. In general, they have been willing to accept the strong yen, if only it would stay strong at a certain level.

of 1985. Not only could yen be more dollars, but fewer dollars were needed because of the collapse of prices set by the Organization of Petroleum Exporting Countries.

When the yen briefly moved into the high 140s, Mr. Miyazawa hastily flew to Washington and met with Mr. Baker.

Monday's OTC Prices NASDAQ prices as of 4 p.m. New York time. Via The Associated Press

Large table of OTC stock prices with columns for stock name, price, and change. Includes various companies like ABC, DEF, GHI, etc.

SCIENCE

SPORTS

Giants Stomp Broncos, 39-20, in Super Bowl



Mark Bavaro, after his reception put the Giants ahead to stay.

By Gary Pomerantz
Washington Post Service
PASADENA, California — The New York Giants won their first National Football League title in 30 years here Sunday, and it only made sense that quarterback Phil Simms was the man to lead them out of the wilderness.

the Giants, gimmicked into frustration, outgained by 163 yards to 2 and outscored, 17-0. Their undersized offensive line seemed to quietly recede and Simms picked apart their defense.

place (with the exception of returner Gerald Williams, in for a safety). After a long count, Rudolph drove over right guard for two yards and a first down. Simms then led the Giants to a game-winning touchdown, on a 14-yard pass to all-pro tight end Mark Bavaro.

their first impact of the game — a negative one. Harry Carson was penalized 12 yards for a late hit out of bounds on Winder. Taylor then angrily picked up the yellow flag and tossed it. Another penalty, tacking on six more yards.



Before the Super Bowl, Phil Simms said, 'I just told everybody, 'I got it today.''

Skiers Struggle In for World Meet

By Piero Valsecchi
The Associated Press
CRANS-MONTANA, Switzerland — Exhausted skiers traveled overnight Sunday after a race to prepare for the opening event of the Alpine world championships here. They found the top race already in town.



Swiss army soldiers, preparing the men's downhill course on Mount Lachaux in Crans-Montana.

Kookaburra III Is Named To Defend America's Cup

Compiled by Our Staff From Dispatches
FREMANTLE, Australia — The Kookaburra syndicate decided Monday to race the newer Kookaburra III against Dennis Conner's Stars & Stripes in the finals of the America's Cup.

SCOREBOARD

Table containing various sports scores including U.S. College Standings, U.S. College Results, NBA Standings, and College Top-20 Results.

Football

Table containing Super Bowl XXI results, Super Bowl Records, Super Bowl MVPs, and Super Bowl Field Goals.

Azinger Wins First PGA Event

Compiled by Our Staff From Dispatches
SCOTTSDALE, Arizona — Paul Azinger took advantage of a mass collapse by other contenders and nudged home a 4-under-par 67 that gave him his first professional triumph Sunday in the Phoenix Open golf tournament.



Kookaburra III, foreground, in a trial against her stablemate.

Arabic text at the bottom of the page, likely a page number or reference.

ART BUCHWALD

The Welfare Chiselers

WASHINGTON — There have been recent reports that President Reagan's attention span is getting shorter and he keeps wandering away from the subject at hand.

One article written by Martin Tolchin in The New York Times reported that Representative Robert Michel, the House Republican leader, urged the president to support a federal insurance program for catastrophic illness.

White House sources say the president is obsessed with finding this family and showing them up for what they are — liberal chiselers feeding at the government trough.

The problem Reagan has in producing the family is that he heard the story about them secondhand. He can't remember who told it to him, and so he has been forced to investigate a search himself.

his Oval Office late at night studying a map of Manhattan. Then he'll pick up the phone and speak to FBI Director William Webster.

"What about the Plaza, Bill?" "We've got every room wired and we're giving the detector tests to anyone who gets on the elevator."

"Don, Mr. President. But we're thinking of organizing a sting operation and offering free rooms in the Ritz Carlton to anyone now on welfare. We think that way we could smoke them out."

"What I'd like to do," says Reagan, "is drag the entire family on television and show the American people what kind of welfare bums are living in our best hotels these days."

Arab Writes an 'Israeli' Novel

By Thomas L. Friedman

JERUSALEM — An Israeli Arab has written a novel in the Hebrew language, and it has set the Israeli literary world on its ear.

The novel, "Arabesque," by Anton Shammas, appeared last April and has become a hugely successful best seller, with 21,000 copies sold.

The reaction has ranged from literary praise and fascination to resentment and disquiet. Israelis seem torn between pride that their hold over Israel is such that even a local Arab now thinks of writing a novel in Hebrew, and unease at the notion that the language they had thought of as their exclusive patrimony must now be shared with none other than a Palestinian Christian.

"Hebrew literature has always been the literature of a tribe," Yael Lotan, the literary critic for the newspaper Al Hamishmar, wrote in her review of "Arabesque." "And suddenly, into this provincial-tribal chrysalis bursts an author who is flesh of our flesh, an integral part of our Israeli lives — and yet someone who is not Jewish, who does not bear the burden of Jewish consciousness but the consciousness of a different nationality. And he writes Hebrew and he speaks to us, and the things he speaks about come from the other side of the mirror in which we have grown used to looking at ourselves."

Shammas, a 38-year-old Palestinian from the village of Fassuta in northern Israel, sat one day recently in a Jerusalem coffee house and told what had brought him to write a Hebrew novel.

He is among a minority of Israeli Arabs born after 1948 who see themselves as more Israeli than Palestinian. For him, "Israeli" is a secular term.



Anton Shammas: "The question is not who is a Jew, but who is an Israeli?"

tion that after spending his whole life here he has much more in common with the average Palestinian or Arab living in Jordan.

"The question is not who is a Jew," he said, "but who is an Israeli? I tried in a literary form to prove to myself and others that there is something called 'Israeli' that is not necessarily Jewish. As one of the critics said, this is actually the first 'Israeli' novel ever to be written."

The story line in "Arabesque," as the title suggests, is rich and elaborate. For two-thirds of the 240-page book, Shammas recounts the last 150 years of life in Fassuta. The other one-third takes place primarily in Paris and at the University of Iowa, where the author attended an international writing program.

The book, largely autobiographical, has two narrators with the same name — one the product of the village and the other the product of the modern Israeli state. The village part of the novel is written, like an arabesque, with an almost circular sense of time,

as the narrator moves back and forth between past and present.

The one-third that takes place abroad is written in a very straightforward Hebrew and with a chronological sense of time. Nevertheless, it leads nowhere.

The contrast between the two senses of time is the key, Shammas said. The richness of the village portrait underlines the notion that identity is woven in the interaction between a person and his surroundings and is not something that can be imposed just because a person was born into a specific place at one moment under a particular political regime.

But when the narrator, Shammas, moves off to Iowa City and Paris, where he is forced to assume the identity of an Israeli Arab, seen as neither fully Israeli nor fully Arab, the story and language become flat.

Shammas and his family moved to Haifa when he was young and he attended a mixed Jewish-Arab high school, where he developed a deep knowledge of, and interest in, the image of the Arab in Hebrew literature.

After high school, he earned a bachelor's degree in English literature from the Hebrew University in Jerusalem, where he has lived since 1968. For 10 years he worked as a producer of Arabic programs at the Israeli television, while writing three books of poetry — two in Hebrew and one in Arabic — and many Hebrew-Arabic translations.

"In the author's mind, his novel is so much a challenge to Israelis as an embrace. In a recent peace essay, Shammas addressed his Jewish compatriots, saying: "We both don't know to what extent we are part of each other's hands — you playing the right hand and me playing the left one. But some of your fingers are mine now and some of my fingers are yours. That connects things. After I have written this book, which I consider to be my real identity card, it's so problematic to kick me out. I will go, but will you feel better after that?"

PEOPLE

A Home for Reagans?

President Ronald Reagan and his wife, Nancy, may retire to a \$2.5 million estate in the exclusive Bel Air section of Los Angeles, White House officials say. A group of nearly 20 friends of the Reagans purchased the home Aug. 21, according to Elaine Crispin, a spokesman for Mrs. Reagan. The friends, including Holmes Tuttle, a California businessman, set up a holding company to buy the home and are now leasing it back to the previous owner, Crispin said. The spokesman said the Reagans had not decided whether to purchase the home from the holding company when the president leaves office in January 1989, but that there was no legal obligation to do so.

The Reagans own a ranch near Santa Barbara, California, but their friends thought they would want a larger residence. The estate reportedly has a pool, 6,500 square feet (about 600 square meters) of living space and one and a quarter acres of real estate.

Jerry Hall, the fashion model and longtime companion of rock star Mick Jagger, says her ex-husband has been arrested in Barbados for marijuana possession last week as a "terrible, frank mistake" that occurred when she picked up a package at the airport that wasn't hers.

"I'm sure that it will all be straightened out and the charges dropped," Hall, 30, said in a telephone interview with The Associated Press. She was arrested Wednesday at Grandley Adams International Airport outside Bridgeport and charged with possession of 20 pounds of marijuana. She said she went to the airport after an airline called her to tell her they had found a parcel of her belongings that had been misplaced. "They showed me a box with a label 'G. Hall' that did not fit the description of the bag I was expecting," she said. "I said to the customs officer that I didn't think it was mine and I wanted to open it and see." Inside, she said, "were these plastic packages. One was open and it had plant leaves and seeds sticking out. I said, 'This is not mine.'" Hall said her package of belongings sent by her brother from the nearby island of Mustique, where she has a vacation home, had since been found in a locker at the airport in Barbados. A Feb. 13 trial date has been set.

The Reverend Robert Drinan, who left Congress as a result of a papal directive banning priests from partisan politics, was honored Sunday with the first Arms Control Advocacy Award from the Lawyers for Nuclear Arms Control. Drinan served in the House from Massachusetts from 1971 until 1981, when Pope John Paul II ordered him not to seek re-election. He was the first Roman Catholic priest to serve as a regular voting member of Congress. Drinan, 56, now teaches at Georgetown University's Law Center in Washington.

Fernando Bujeles, the American dancer who shared leading roles with Mikhail Baryshnikov at American Ballet Theatre before leaving the company after a dispute, has also been invited to appear with the Bolshoi Ballet in Moscow. Yuri Grigorovich, artistic director of the Bolshoi, mentioned the invitation, virtually unprecedented for an American in recent times, while in Los Angeles to prepare for his company's appearance there in August. Grigorovich said that he had received permission from the Soviet Ministry of Culture to bring certain artists of international reputation to a broad-ranging festival in Moscow next month. He started the arts world last week when he extended similar invitations to Baryshnikov and Natalia Makarova, both Soviet defectors. "I do not have to wait with Mr. Grigorovich every day," he said referring to the Soviet leader, "but these plans reflect his sympathy."

In Brussels, the U.S. ambassador to the European Community has composed a march, which he presented to the 12-nation group today in honor of European Environment Year, being celebrated throughout 1987. William Middendorf sought to express "U.S. solidarity with the European Community in its efforts to ensure a cleaner and more healthful environment" through the piece, entitled the European Community March. The U.S. delegation said. The ambassador is an amateur composer and conductor whose works include more than 100 marches, seven symphonies, a violin concerto and an opera, a spokesman said.

City Ruins Found in China

BEIJING — Remains of 19 ancient cities have been uncovered in an area of China's far north previously thought to have been an uninhabited marshland. The official Xinhua news agency says that the cities found on reclaimed land in Heilongjiang province appear to have been occupied by the Yilou people 2,000 years ago.

They say the president will sit in

ANNOUNCEMENTS

VALENTINE CLASSIFIED CONTEST

PARIS 1-46 37 93 85

LISTENING VOLUNTEERS NEEDED FOR SOI

FRENCH-ENGLISH SECRETARY

GR INTERIM

FRENCH RIVIERA (GRASSE)

INTERNATIONAL SECRETARIAL POSITIONS AVAILABLE

PLUS INTERNATIONAL

INTERNATIONAL BANK

INTERNATIONAL ORGANIZATION

EMBAJADA SERVICE

AT HOME IN PARIS

8th MONTAIGNE (NEAR)

ANNOUNCEMENTS

USA DIVORCE IN 14 DAYS

PERSONALS

MOVING

ALLIED

DISPOSABLES

AMERICANS

REAL ESTATE SERVICES

EMILY ANSON EDUCATION

SECRETARIAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

SECRETARIAL POSITIONS AVAILABLE

INTERNATIONAL CLASSIFIED

REAL ESTATE FOR SALE

REAL ESTATE FOR SALE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

REAL ESTATE FOR SALE

REAL ESTATE FOR SALE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

REAL ESTATE FOR SALE

REAL ESTATE FOR SALE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

REAL ESTATE FOR SALE

REAL ESTATE FOR SALE

REAL ESTATE TO RENT/SHARE

REAL ESTATE TO RENT/SHARE

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

EMPLOYMENT

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES

ACCESS VOYAGES